CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE BUSINESS

A Guide to Leadership Tasks and Functions

Alessia D'Amato
Sybil Henderson
Sue Florence

CENTER FOR CREATIVE LEADERSHIP

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Center for Creative Leadership
Greensboro, North Carolina

The Center for Creative Leadership is an international, nonprofit educational institution founded in 1970 to advance the understanding, practice, and development of leadership for the benefit of society worldwide. As a part of this mission, it publishes books and reports that aim to contribute to a general process of inquiry and understanding in which ideas related to leadership are raised, exchanged, and evaluated. The ideas presented in its publications are those of the author or authors.

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Introduction

Corporations around the world are struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs. Organizations are being called upon to take responsibility for the ways their operations impact societies and the natural environment. They are also being asked to apply sustainability principles to the ways in which they conduct their business. *Sustainability* refers to an organization's activities, typically considered voluntary, that demonstrate the inclusion of social and environmental concerns in business operations and in interactions with stakeholders (van Marrewijk & Verre, 2003).

It is no longer acceptable for a corporation to experience economic prosperity in isolation from those agents impacted by its actions. A firm must now focus its attention on both increasing its bottom line and being a good corporate citizen. Keeping abreast of global trends and remaining committed to financial obligations to deliver both private and public benefits have forced organizations to reshape their frameworks, rules, and business models. To understand and enhance current efforts, the most socially responsible organizations continue to revise their short- and long-term agendas, to stay ahead of rapidly changing challenges.

In addition, a stark and complex shift has occurred in how organizations must understand themselves in relation to a wide variety of both local and global stakeholders. The quality of relationships that a company has with its employees and other key stakeholders—such as customers, investors, suppliers, public and governmental officials, activists, and communities—is crucial to its success, as is its ability to respond to competitive conditions and corporate social responsibility (CSR). These major transformations require national and global companies to approach their business in terms of sustainable development, and both individual and organizational leadership plays a major role in this change.

Organizations have developed a variety of strategies for dealing with this intersection of societal needs, the natural environment, and corresponding business imperatives. Organizations can also be considered on a developmental continuum with respect to how deeply and how well they are integrating social responsibility approaches into both strategy and daily operations worldwide. At one end of the continuum are organizations that do not acknowledge any responsibility to society and the environment. And on the other end of the continuum are those organizations that view their operations as having a significant impact as well as reliance on society at the economic, social, and ecological levels, thus resulting in a sense of responsibility beyond the traditional boundaries of the organization. Most organizations can be placed somewhere in between.

Corporate responsibility or sustainability is therefore a prominent feature of the business and society literature, addressing topics of business ethics, corporate social performance, global corporate citizenship, and stakeholder management. Management education can be an important source of new ideas about shifting toward an integrated rather than fractured knowledge economy, but this means also that the role and meaning of socially responsible leadership needs to be updated. Much further research is needed to create a clearer understanding of what is required, both in leadership itself and in the field of leadership development.

In the following, we present the state of the art of knowledge related to CSR and the role of leadership. We highlight some current developments on this topic and draw attention to similarities and differences in the three angles of the triple bottom line (TBL)—the environmental, societal, and business arenas. The field addresses complex and critical issues, such as human rights, environmental protection, equal opportunities for all, fair competition, and the interdependencies that occur between organizations and society (Quinn, 2008). Ongoing research reveals that a variety of strategies, alliances and partnerships, and approaches are being used around the globe. The literature also reveals that although the aspiration of many corporations to contribute to a better world is great, translating that aspiration into reality proves to be somewhat of a challenge.

Purpose, Method, and Framework for This Publication

The purpose of this sourcebook is to provide an overview of the academic and business literature on CSR and leadership. To pull together this annotated collection of sources, the authors examined literature on CSR, corporate citizenship, and sustainability, mainly from 2000 to the present. A snapshot of the current thinking, research, and opportunities for additional scholarship is provided. We used three methods to select an adequate sample of articles and books for review:

- A systematic search of the academic and professional literature on leadership and CSR, as well as a keyword search using CSR synonyms (e.g., *sustainability, corporate citizenship, corporate sustainability, ethical leadership, corporate governance,* and *corporate social performance*). This strategy retrieved 211 documents.

- A random search of articles and books on CSR. We searched databases and library catalogs using keywords such as *corporate social responsibility, corporate citizenship, corporate sustainability, ethical leadership,* and *leadership,* as well as names of authors.
- A review of bibliographic references from articles found initially and an examination of class reading assignments from a graduate-level ethics and social responsibility course.

All references come from scholarly journal articles, articles from the popular press, books, book chapters, and practitioner and expert essays. In most cases, publications were selected that were published from 2000 onward, and material was selected that was directly related to one of the themes of CSR. Some not strictly academic articles were retained when they added a different perspective or complemented a theme previously identified.

The key themes that emerged through the literature were the following:

- Approaches to CSR promotion and implementation
- CSR as business case versus development
- CSR and corporate identity and ethics
- CSR and accountability
- Stakeholders' engagement or partnership
- Leader and leadership capabilities and competencies for CSR
- CSR's challenges and limitations

Although we did not use a rigorous methodology to derive these themes, we feel they provide a useful way to present an overview of the field and a framework for further research and study.

Key Themes

This section of the book introduces the reader to key themes in the field and refers to the most representative publications for each. This overview does not aspire to provide a comprehensive picture of either the field or the full content of the annotations that follow. The full scenario can only be understood by a complete reading of the annotations themselves. Each of the annotations takes account of the purpose of the publication and provides a synopsis including major points, findings, and the conclusions reached.

Approaches to Implementing CSR

The first theme we identified focuses on why CSR gets started in organizations and how it is or can be well implemented. As to why CSR gets started, some authors argue that CSR can be seen as either an integral part of the business strategy and corporate identity, or it can be used as a defensive policy, with the latter being used more often by companies targeted by activists. The rationale for CSR can be based on a moral argument, a rational argument, or an economic argument (Werther & Chandler, 2006). Campbell (2007) is representative of a group of studies that create testable propositions related to the conditions under which organizations will move toward CSR. He sees corporations' level of social responsibility as being influenced by factors such as financial conditions of the firm, health of the economy, and well-enforced state regulations.

Why companies take on CSR is also discussed in the literature in terms of the specific initiatives under which CSR may fall. Ways of describing these rationales vary, from the more skeptical view of cause-related marketing to a more generous attribution of genuine socially responsible business practices (Kotler & Lee, 2005).

To ascertain how CSR is implemented in organizations, some research uses a developmental framework to show change in awareness, strategy, and action over time, and posits stages of CSR from elementary to transforming (e.g., Mirvis & Googins, 2006). Jackson and Nelson (2004) take more of a how-to approach, offering a principle-based framework for mastering what they call the "new rules of the game." Examples of principles include harnessing innovation for the public good, putting people at the center, and spreading economic opportunity.

Although there is substantial variation in the nature and the extent of the corporate approaches reflected in the literature, interest in the field seems poised to stimulate further research and to provide both researchers and CSR practitioners some valuable direction for action and reflection.

Drivers of Ongoing Commitment

Ongoing commitment can derive from either economic self-interest (i.e., a solid business case) or from ethical grounding (i.e., the moral importance of sustainable development). Oftentimes, of course, both of these apply.

When the value added is considered to be significant and positive, the business case will apply. Building the business case for CSR, Husted and Allen (2007) point out that much effort has focused on CSR in an attempt to demonstrate that positive CSR can be linked to improved financial performance. There is a growing sense that looking after the people and the community as well as the environment are all relevant to long-term business survival. Though the business case for CSR appears strong, the literature also reflects the fact that there are doubts as well as cynicism (Jayne, 2004).

A good example of the contrast between CSR as business case and CSR as ethical issue is reported by Hartman, Rubin, and Dhanda (2007). In its cross-cultural analysis of communication of CSR activities in U.S. and European corporations, the article demonstrates that U.S. companies justify CSR using economics or bottom-line terms and arguments in their communications, whereas European Union companies rely more heavily on language or the theories of citizenship, corporate accountability, or moral commitment. Results also indicate that European companies do not value sustainability to the exclusion of financial elements, but instead project sustainability commitment in addition to financial commitment. U.S. companies focus more heavily on financial justifications, whereas European Union companies incorporate both financial and sustainability elements in justifying their CSR. European companies have a leading role in the CSR movement as a sustainable development opportunity (Hulm, 2006).One source of ongoing CSR commitment is reflected in the number of articles focused on the need for corporations to take an active role in poverty reduction efforts. This literature often concludes with a call for a more explicit acknowledgement of poverty in the corporate citizenship field and for corporate leadership to name the issue, frame it in such a way as to accelerate its reduction, and take an active role in poverty reduction efforts (Boyle & Boguslaw, 2007). Companies must push to seek something other than the lowest short-term cost for the highest short-term gain (Berkhout, 2005). Misconceptions and inaccurate assumptions exist about business opportunities and profitability available at the bottom of the economic pyramid. By serving the poor, business can gain new sources of rapid revenue growth and greater efficiencies with cost reduction initiatives for the multinational corporations, which also translates to increased purchasing power for the local consumers, as well as access to innovation (Prahalad & Hammond, 2003).

Corporate Identity and Ethics

The key attributes that define a company's essential character and the contemporary turn to values reflect an evolution in what has sometimes been called the personality of the corporation—or the corporation's identity (Paine, 2003). Corporate identity reflects what a company really is, rather than what a company might advocate.

Many companies have established a corporate identity using branding, which has become a focal point of their success and competitive advantage (Werther & Chandler, 2006). For example, the Body Shop, through its leader Anita Roddick, adopted a number of fair trade and other social issues. These stances helped differentiate the firm's offerings and made responsibility figure prominently in its corporate identity in the minds of consumers.

According to Archie Carroll (1991), a firm's pyramid of CSR starts with economic responsibilities and continues with legal, ethical, and discretionary responsibilities respectively. However, what was ethical or even discretionary in Carroll's model is becoming increasingly necessary today because of the changing environment within which businesses operate and because the ethical responsibilities are more likely to stand on a par with economic and legal responsibilities as foundational for business success (Werther & Chandler, 2006). CSR can be a way of matching corporate operations with societal values at a time when these parameters are changing rapidly. As such, ethical behavior is a prerequisite for strategic CSR. A company's ethical behavior is the mirror image of its culture, a shared set of values and guiding principles deeply ingrained throughout the organization (Paine, 1994), and the ethical behavior and culture become part of the definition of corporate identity.

CSR and Accountability

Accountability is one of the processes whereby a leader, company, or organization seeks to ensure integrity. In a global stakeholder society, accountability is among the key challenges of organizations. Responsible leaders are concerned with reconciling and aligning the demands, needs, interests, and values of employees, customers, suppliers, communities, shareholders, nongovernmental organizations (NGOs), the environment, and society at large. A company's track record in terms of CSR accounting will be effective when appropriate CSR measures are included in its internal as well as its supply-chain activities. Furthermore, the literature reflects a growing need for dissemination of good practice in CSR accountability and a need for more pressure to be exerted on NGOs to prove themselves as ethical, transparent, and accountable as those they seek to influence (Frame, 2005).

A relevant point raised in some literature has to do with the effectiveness of strategies undertaken by communities to demand corporate accountability (Garvy & Newell, 2005). This literature argues that the success of community-based strategies for corporate accountability is conditional upon the right combination of state, civil, societal, and corporate factors.

Frynas (2005) makes the point that accountability is more than making false promises. In the oil, gas, and mining sectors, despite the promise of CSR and the spending of over US $500 million in 2001 alone on a long list of community development programs and other CSR initiatives, the effectiveness of the initiatives has been increasingly questioned. Frynas points out that there is mounting evidence of a gap between the stated intentions of business leaders and their actual behavior and impact in the real world of financial funding.

CSR requires accountability by all leaders, individuals, organizations, stakeholders, customers, and community members, and yet accountability is complex. The factors which influence the effectiveness of corporate accountability are multiple and tightly interconnected. This interconnectedness and its relationship to accountability are represented in the work of Dolan (2004), which uses the example of his own company to illustrate the idea of considering a business as an interconnected web of relationships, with the consequences of every action the company takes having an impact on both the world and the company's long-term business.

Partnering with Stakeholders

CSR is strictly embedded with a multitude of business actors. With the call for sustainability and the new role of business in society (Blowfield & Googins, 2006), and with increased expectations and new rules and tactics (Burke, 2005), leadership is bound to come into contact—and conflict—with key stakeholders in the arena of responsible business, global versus regional and local needs, and different national cultures.

The concept of stakeholder engagement and communication with stakeholders looks like a catch-22 of leadership practices for CSR (Morsing, Schultz, & Nielsen, 2008). Although companies strive to engage in CSR together with their stakeholders, they are simultaneously struggling to understand the true relationship behind this marriage—and first of all, who their stakeholders are. In both the business and academic literature, the shareholders are now renamed as one of many key stakeholders, and they are seen as competing for influence with employees, customers, consumers, suppliers, competitors, trade unions, the environment, the local communities, and the society at large, to name a few and the most recurrent ones.

Two basic relationship models may help to explain how leaders can best interact with multiple and diverse stakeholders. The inside-out approach suggests that leaders can manage their CSR activities and achieve favorable reputations with their stakeholders by building CSR activities across boundaries and in a framework where the decision-making point resides inside the organization and where communication with stakeholders is a means to deliver information already developed and perhaps even implemented. CSR reporting for stakeholders can be one such practice and has sometimes been used as a tool in the marketing communicator's toolbox (Sweeney & Coughlan, 2008). The literature also shows this can backfire, feeding skepticism toward CSR and its terminology from trade unions as well as from the activist opposition (Burke, 2005; David, Bloom, & Hillman, 2007). An alternative approach is based on substantial attention and engagement with the stakeholders to reach CSR goals (Morsing et al., 2008). Communication is not just a device for alignment; the decision-making process is negotiated and concepts or key actions developed. The stakeholders in this model are actors, together with the company, in achieving sustainable development. This differentiation is similar to that seen in other literature that focuses on the difference between stakeholder identity—the extent to which the corporations and their stakeholders' interests are linked—and stakeholder management—the incorporation of stakeholders' interests into operational decision making (Black & Hartel, 2003; Boutilier, 2007; Shropshire & Hillman, 2007). Despite the debate, real stakeholder engagement ultimately leads to a combination of organizational and social learning, which is a basis for long-term change based on trust, but which is not always clearly quantifiable or predictable in the short term (Roome & Wijen, 2006; Van Kleef & Roome, 2001).

Whatever the approach to stakeholders, well-intentioned efforts sometimes produce disappointing results, or conflicting stakeholder demands cause problems (Boutilier, 2007). Nevertheless, leadership efforts to deal rationally with stakeholders, with uncertainty, and with constraints lead to greater potential for sustainability in terms of culture, structure, and output. Corporations need to engage with stakeholders to develop valuable CSR-related actions. Stakeholders that face challenges and threats are more likely to partner with corporations on CSR-related issues and corporations and stakeholders are more likely to succeed when a long-term vision is embraced. The literature shows that corporate leadership should have a holistic approach to engage with stakeholders and that the vital link between business and stakeholder management is leadership (Chow Hoi Hee, 2007).

Leadership Capabilities and Competencies

Research has confirmed leadership's pivotal role in initiating and developing CSR programs and initiatives within and across organizations. Leaders in world business are the first true planetary citizens, they have worldwide capability and responsibility, and their decisions affect economies as well as societies (Pruzan & Miller, 2006).

The role of the leader in guiding business toward sustainable social responsibility is complex and vast, and it has been alleged that it requires a unique array of leadership skills and competencies. A change in management thinking has been from process to people (Kennedy, 2007). Leadership styles and leadership capabilities and competencies most prevalent among leaders whose organizations have successfully experienced changes in organizational strategy and focus, transitioned toward, and achieved more socially responsible behaviors are presented throughout the literature.

Responsible leaders are defined as people of the highest integrity and deep understanding of difficult concepts such as sustainable development, committed to building enduring organizations in association with others, leaders who have a deep sense of purpose and are true to their core values (Roome & Bergin, 2006). Leaders of socially responsible organizations have been associated with the charismatic leadership style; the connection between top managers and firm outcomes depends to a large extent on the managers' charismatic leadership under conditions of perceived environmental uncertainty (Waldman, Ramirez, House, & Puranam, 2001). Charismatic leadership style communicates an innovation vision, energizes others to innovate, and accelerates innovation processes and CSR; interactive leadership characteristically empowers employees to innovate and to become innovation leaders themselves (Bossink, 2007). The transformational leader is able to communicate so enthusiastically that the result is pulling people to commit to the vision of the leader on sustainability (Hanson & Middleton, 2000). Some effective organizational models for CSR, however, support a simultaneous transformational and visionary leadership style, together with a need for transparency (Jones, 2000). Moreover, CEOs' intellectual stimulation is found to be significantly associated with the propensity of the firm to engage in strategic CSR, or those CSR activities that are most likely to be related to the firm's corporate and business-level strategies.

Leadership competencies consistent with "responsible" leaders include courage, business acumen, passion, having a life ("you can't think out of the box if you are always in the box"), compassion, sense of humor, and vision for legacy (instead of vision for activity). A leader should be remembered as a person who designed a society that is educated, environmentally friendly, safe, and economically sustainable (Giampalmi, 2004).

Other leadership attributes are related to sustainable social success (Waddock, 2007; Waldman, Siegel, & Javidan, 2006), and leaders' values such as integrity, teamwork, respect, and professionalism are part of global responsible leadership (van de Loo, 2006). The success is attributed to leaders' relentless focus on clients, continuous communication of values and beliefs, a large amount of engaging with others, accountability, and reliability (van de Loo, 2006), as well as a long-term perspective.

The challenge for today's leaders is to perform effectively in an environment of uncertainty and ambiguity while reconciling the diversity of interests, needs, and demands of multiple stakeholders (Schraa-Liu & Trompenaars, 2006). When the question is how the CSR concept can be locked into corporate DNA, the conclusion would be that the issue is less about sustainability with a big *S* and more about leadership with a big *L* (Jayne, 2004). More research and clarity are nevertheless needed to understand the differentiation between leaders' skills and competencies, or leadership styles, and leadership practices.

Organizational Challenges and Limitations

Companies face challenges and limitations as they implement CSR. These usually relate either to political issues or to organizational-level concerns and are often embedded in culture. The complexity of operating in a global society places new demands on organizations and their leadership.

As the roles and responsibilities of government are being redefined and the boundaries between business and government become less clear, the literature shows that business leaders are facing a daunting array of challenges. In the new age of CSR, the needs of the stakeholders, consumers, employees, national as well as international regulators, watchdogs, NGOs, and activist groups have to be satisfied (Hatcher, 2002). Lewicka-Stralecka (2006) identifies the opportunities and limitations of CSR in the so-called countries of transformation, or Central and Eastern European countries:

- The business image
- The legal background
- The job-market situation
- The corruption and the correlates of economic stagnation and social decline
- The socialist associations
- The CSR rhetoric—including the blurred boundaries of CSR, the underdevelopment of the civic society, the economic reality, the ethical standards, and the attempts at self-regulation of business

McGaw (2005) considers the biggest challenge in the field of CSR implementation to be the development of leaders for a sustainable global society, asking what kind of leader is needed for building a sustainable global society and how we can best develop individuals with these leadership capabilities. According to this author, the task and challenge will be to develop leaders for a sustainable global society by encouraging imagination and the accomplishment of a positive change.

According to Howell and Avolio (1992), responsible leadership is the art of building and sustaining relationships with all relevant stakeholders, and it requires socialized, not personalized, leaders. Here, the challenge is to develop leaders who can relate in different ways, who are able to align different values into a common vision, who can listen to and care for others and ultimately serve them. Meeting these challenges requires the joint efforts of a global society and responsible leadership committed to diversity, ethics, and values.

Conclusion

According to the emergent literature, there is a growing awareness that business needs to manage its relationship with the wider society. Corporate leaders are responsible for their corporations' impact on society and the natural environment beyond legal compliance and the liability of individuals. To the novice, this annotated bibliography offers a short but nevertheless deep introduction to the field. More experienced leaders can gain new perspectives on how to grow in their approach to sustainability and how to develop innovative business models in accord with the triple bottom line.

CSR is becoming a leading principle of top management and of entrepreneurs. The number of observations in research in this field clearly delineated models, leadership competencies, accountability, and structure of partnerships as well as organizational challenges and limitations and ethics. Organizations can reexamine their pattern of behaviors in the TBL framework and begin their journey toward a sustainable approach that is integrated into their business strategy.

Annotated Bibliography

Albareda, L., Lozano, J. M., & Ysa, T. (2007). Public policies on corporate social responsibility: The role of governments in Europe. *Journal of Business Ethics, 74,* 391–407.

The authors analyze different CSR public policies adopted by European governments to promote responsible and sustainable business practices. The authors are able to analyze the various methods by developing a framework to understand the approaches and perspectives of governments in designing and implementing these policies. The article includes a thorough review of literature focused on governments and CSR, as well as official documents on CSR published by the European Commission. The article also includes other studies based on geographical comparative analyses of government behavior and CSR culture in Europe and North America, which reveal that European policymakers have undertaken a wide range of public initiatives to promote CSR in contrast to a lack of policies in the United States. Also, United States–based companies had a less accepting attitude than European companies toward the acceptance of the public CSR policies. Following are three elements that emerged from the literature:

- The voluntary nature of the company's initiatives
- The emerging networks and soft tools
- Multi-stakeholders' dialogue and new government challenges

Building on these elements, the authors construct an analytical model to understand CSR governmental approaches. Finally, the authors present four models of government action in the development of CSR-endorsing public policies in 15 European Union countries: the Partnership Model, the Business in the Community Model, the Sustainability and Citizenship Model, and the Agora Model. (*Agora* is a Greek word meaning "a public gathering place or forum"—to refer to the model used to implement and enforce CSR in Mediterranean countries, including Greece, Italy, Portugal, and Spain.)

* * *

Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). Social entrepreneurship and societal transformation. *Journal of Applied Behavioral Science, 40,* 260–282.

The authors describe the forms which successful social entrepreneurship initiatives can take, such as building local capacities to solve problems, providing packages needed to solve common problems, and building local movements to deal with other powerful actors. Successful social entrepreneurship initiatives use innovations that mobilize existing assets of marginalized groups and emphasize systematic learning by the individuals and by the organization. They are often founded by leaders cooperating with and interconnecting very diverse stakeholders. They expand impacts by investing in organization and management systems or investing in alliance building with clients. The authors describe three scaling-up strategies:

- Capacity-building initiatives—focusing on local groups and resource providers to strengthen capacity for self-help. Capacity-building initiatives alter local norms, roles, and expectations to transform the cultural contexts in which marginalized groups live.
- Package dissemination initiatives (PDIs) pay attention to user and disseminator stakeholders, providing packaged services to individuals that enable their use of economic leverage. These initiatives have transformational impacts on economic outcomes. PDIs provide tools and resources to enhance individual productivity and transform economic circumstances.
- Movement-building initiatives focus on external relations with allies and political targets, using political leverage to have transformational impacts on political and cultural contexts. Movement-building initiatives increase the voice of marginalized groups to transform their political contexts and their ability to influence key decisions.

* * *

Ancrum, R. (2006, December/2007, January). The principal's principles. *Financial Management,* pp. 57–58.

A new framework for companies to embrace comes from the recognition that profit alone does not guarantee sustainable success but needs to be balanced with other factors: reputation, brand value, CSR, and retention of human capital. This new framework is the value-creation business model, which implies the combination of personal principles, corporate ethics, and commercial sustainability. A key component in this framework is the leader's courage to implement all three simultaneously in the business. The value-creation model for leadership is defended against the obsolete principle that wealth creation is simply a matter of pursuing profit and growth at the expense of everything else. The development process starts by asking members of the leadership team to focus on what is essential for the company's success and then to look at how the company does these things distinctively. A key question is, What principles of behavior are nonnegotiable if the business is to consistently do the things that we agree create value and do them in the ways it needs to? The organizational vision and mission in this framework set the values in the organization. The values then are a nonnegotiable set after all the process is accomplished, from asking the management team what it believes the business must do, to consolidating its beliefs into a model, to seeing that the identified values lead to the expected outcomes. The company's leadership will then seek ways to connect the words with actions on the ground that really count.

* * *

Barton, D., Coombes, P., & Wong, S. C. (2004). Asia's governance challenge. *McKinsey Quarterly, 2,* 54–61.

While the primary content of this article references the state of Asia's corporate governance, recent actions taken, implementation challenges at the time, and future actions still required, points are discussed that signal long-term implications for more socially responsible corporations in this region. A section on improving transparency addresses investor confidence and a need for professionals to have a more in-depth understanding of accounting standards. This section is followed by a topic called the power of investors, espousing that creditors could pressure companies but that they are too focused on short-term profits, rather than long-term growth. It is stated that investors must become more vocal in reform and in their willingness to engage management. Other areas discussed are the best practice for the region, regulations with bite, and embracing change.

* * *

Bendell, J. (2005). In whose name? The accountability of corporate social responsibility. *Development in Practice, 15*(3-4)*,* 362–374.

This author critically examines the accountability of western and northern nongovernmental organizations (NGOs) and multi-stakeholder initiatives (MSIs), partnerships between governments, business, and civil society. The author states that various analyses have suggested that the (supposed) intended beneficiaries of CSR activity and MSIs have had only a limited influence on them (Bass, 2001; Bendell, 2000; Utting, 2002). In fact, many of these organizations are heavily influenced by large companies. The author points out the limited amount of participation in MSIs from the global south and the related implications of such on discourse and practice. The author also demonstrates how the way in which the problems and solutions are defined serves the commercial interests of the northern participants, to the detriment of southern stakeholders and intended beneficiaries. To illustrate his argument, the author reviews the structure and operations of some MSI organizations: Worldwide Responsible Apparel Production (WRAP), Social Accountability International (SAI), Sustainable Agriculture Network, and the Forest Stewardship Council. A snapshot of that content references WRAP's principles and standards, which govern 615 factories from 56 countries that deliver 85 percent of clothing sales in the United States, designed to benefit clothing and footwear manufacturing workers, mostly in the global south; yet 11 of its 12 board members are from the United States. Also, SAI's emphasis on assessment and certification generates concerns, on the part of the author, related to speed of the actual audits, training of the auditors, confidentiality of the findings, objectivity (in the eyes of the auditor), and neutrality (offering no constructive advice toward making improvements). In concluding, the author gives reasons why these conditions may exist and provides suggestions and recommendations toward improving them. One of the suggestions is to include more democracy in the process.

* * *

Bendixen, M., & Abratt, R. (2007). Corporate identity, ethics and reputation in supplier-buyer relationships. *Journal of Business Ethics, 76,* 69–82.

The article highlights how multinational corporations (MNCs) have been criticized for not behaving ethically in some situations that could have a negative effect on their reputation. The authors examine the ethics of a large MNC in its relationship with its suppliers. The views and perceptions of the buying staff and the suppliers to the large South African MNC are discussed. The results indicate that this MNC has a good corporate reputation among both suppliers and its own buying department. The existence and implementation of formal codes of ethics were found to be a necessary but not sufficient condition for good ethical practice. Elements that may lead to good relationships include speedy resolution of problems; respect for the partner; and transparency in its dealings, which include information sharing, clear communication, and fair but firm negotiations.

* * *

Berenbeim, R. E. (2006). Business ethics and corporate social responsibility: Defining an organization's ethics brand. *Vital Speeches of the Day, 72,* 501–503.

As external and internal views on ethics and CSR differ, the author questions whether there is a way to integrate them into a single model for an ethical company. A contrast between Enron's and Johnson & Johnson's approaches to CSR reflect an outcome, for the former, of strategic versus moral calculation, whereas the latter encompasses a decision-making process that is ingrained into the company culture. The comparison is used to illustrate the value of integration between a company's ethics, principles, and its CSR initiatives, which enhance leader decision making.

* * *

Berkhout, T. (2005). Corporate gains: Corporate social responsibility can be the strategic engine for long-term corporate profits and responsible social development. *Alternatives Journal, 31*(1), 15–18.

This author critically examines corporate gains as the strategic engine for long-term corporate profits and responsible social development. He highlights corporate green-washing, the voluntary adoption of a token social or environmental initiative intended to enhance a company's corporate image. He points out that CSR provides the starting point that businesses need to begin moving toward sustainability. For CSR to achieve its potential, companies must push to seek something other than the lowest short-term cost for the highest short-term gain. The author identifies the following challenges facing a company that wants to operate under the principles of CSR:

- How to balance its social and environmental responsibilities with its clearly defined economic responsibility to earn a profit
- How evolving norms and rules determine what constitutes acceptable corporate behavior
- How CSR's glass ceiling is merely a reflection of society's expectations
- How corporations are beginning to see a strategic value in CSR beyond improved public relations or the short-term bottom line

The principles of CSR are encouraged by the author in order to take meaningful steps toward sustainability. The Natural Step founded in Sweden in 1989 requires businesses to meet specific ecological and human conditions for all aspects of their corporate agendas. The Natural Step framework is appealing because it draws a line in the sand in terms of what is sustainable practice and what is not sustainable practice. Over 100 companies around the world have started to work with the Natural Step framework. The level of integration varies from company to company. In concluding, the author does not recommend that companies currently engaged in CSR throw away their work in the area and start anew with the Natural Step or a similar framework. He recommends that companies need to ensure that their short-term economic goals do not continue to override their long-term social, environmental, and economic responsibilities to society and the natural environment.

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Black, L. D., & Hartel, C. E. J. (2003). The five capabilities of socially responsible companies. *The Journal of Public Affairs, 4,* 125–144.

Presenting the term *corporate social responsibility* and the term *management capacity,* defined as the product of a social responsibility orientation and public relations orientation, the authors use management capacity to describe a firm's ability to proactively recognize and effectively respond to firm-stakeholder relationships. Built upon a rich discussion of literature in the four areas of strategic management, social responsiveness, public relations, and marketing, a model that identified capabilities required by firms in order to be socially responsible was established. Also examined are measurement and management of these capabilities. According to these authors, some of the goals and capabilities of CSR are the following:

- Stakeholder engagement, comprised of stakeholder identity, the extent to which a firm sees its long-term interests linked to those of its stakeholders
- Stakeholder management, the process of incorporating stakeholder interests into operational decision making, as well as the actual communication of socially responsible behavior

The remaining capabilities are segregated by public relations orientation, including the following:

- "Value attuned" behavior and dialogue with stakeholders as the key transactions
- CSR orientation, focused on ethical business behavior and accountability and disclosure as key transactions

Contrasting the process approach of CSR with various performance-based approaches, the authors conclude that social responsibility is an ongoing interaction in relationships between firms and stakeholders and further state that individually these capacities could not produce social performance. However, together they comprise the organizational behaviors that could lead to socially responsible performance.

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Blowfield, M. (2005). Corporate social responsibility: Reinventing the meaning of development. *International Affairs, 81,* 515–524.

The author posits that developing a critical approach to CSR not only requires us to ask how CSR affects company behavior in developing countries, but also to ask if, and how, business is affecting the meaning of development itself. The author argues in this article that business is indeed affecting development, and one of the ways this happens is by allowing business thinking to dominate the way we view the world and to become the norm against which everything else is tested for true and false value. The reader is cautioned that even though there may be areas of overlap between developmental and business goals, companies engage with developing economies for commercial reasons, not developmental ones. The author states that the following are long-term tests:

- Whether CSR can help companies redefine the meaning of good business practice in the interests of the poor and marginalized
- Whether CSR helps development practitioners manage the possibilities and consequences of global capitalism for poor countries more effectively

A number of negotiable and nonnegotiable fundamental values and tenets of business are highlighted and analyzed, indicating that only those that are deemed negotiable are addressed through CSR, while the nonnegotiable values result in limitations of approaches to CSR. The author also states that understanding how business affects development depends on our distinguishing between the business case and the case for business.

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Blowfield, M., & Frynas, J. G. (2005). Setting new agendas: Critical perspectives on corporate social responsibility in the developing world. *International Affairs, 81,* 499–513.

In this editorial, Blowfield and Frynas set the tone for a new direction in CSR research to determine what CSR does and could mean for the poor and marginalized in developing countries. They assert that claims about CSR contributions to alleviate poverty and achieve other developmental goals are unwarranted. The authors identify CSR as an umbrella term for a variety of theories and practices that recognize the following:

- That companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals
- That companies have a responsibility for the behavior of others with whom they do business (e.g., within supply chains)
- That business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society

Further, they discuss criticisms of CSR that included two schools of thought: "CSR is bad capitalism" and "weak CSR is bad development." The authors then identify and discuss four areas that need to be addressed to answer critical CSR questions: the meaning of CSR for developing countries, its relationship to international governance, its analytical limitations, and the consequence of thinking in terms of the business case for CSR.

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Blowfield, M., & Googins, B. K. (2006). *Set up: A call for business leadership in society* (Monograph). Chestnut Hill, MA: The Boston College Center for Corporate Citizenship.

In this monograph the authors interviewed 48 top executives, representing 27 multinational companies from a cross-section of industries to learn what they see as trends and challenges facing business and wider society in the twenty-first century. This research revealed three major messages:

- Public perception of the role of business has changed since the 1970s.
- New responsibilities are being thrust on companies.
- The current business model is on a collision course with trouble unless companies recognize that society's issues are impacting—positively and negatively—their long-term business success.

Also, fewer than 10 percent of these executives feel that the quest for profits should be the sole focus of the company. Accordingly, many executives want to address societal issues because they are important to their companies and business as a whole, yet they are hesitant to take it too far because of the reaction that may come from investors, analysts, board members, or the media. Four important areas where progress offers enormous potential returns in strengthening the business-society relationship are the following:

- Challenging the short-term perspective of the capital markets
- Understanding the respective roles of business and government in public policy
- Creating a soft landing to globalization
- Encouraging courageous leadership

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Bossink, B. A. G. (2007). Leadership for sustainable innovation. *International Journal of Technology Management & Sustainable Development, 6,* 135–149.

The article begins with a discussion of leadership styles thought to influence a company's sustainable innovation. According to the author, literature on this topic repeatedly refers to charismatic, instrumental, strategic, and interactive leadership. The charismatic leadership style communicates an innovation vision, energizes others to innovate, and accelerates innovation processes. Instrumental leadership style structures and controls the innovation processes, and strategic leadership uses hierarchical power to innovate. The remaining sustainable innovative leadership style, interactive leadership, tries to empower employees to innovate and to become innovation leaders themselves. The author conducted empirical research to observe each leadership style, coordinated by the same municipal manager, on four separate building projects in the Dutch house-building sector. Findings indicate that the manager's leadership style and capability to coordinate the necessary information and knowledge exchange jointly support the innovativeness of the projects. Further, a review of literature on knowledge management found that a firm's capacity to gather and process information about new technology is a significant stimulator to innovation (Toole, 1998).

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Boutilier, R. G. (2007). Social capital in firm-stakeholder networks: A corporate role in community development. *Journal of Corporate Citizenship, 26,* 121–134.

The author applies concepts such as social capital and network analysis to the challenges organizations face in managing stakeholder relations and promoting community development, particularly in developing countries. The author first reviews the literature on the roles of social capital in poverty reduction and community development. Ways that corporations can contribute to sustainable development goals such as poverty reduction by bringing linking social capital into the community and stakeholder networks are identified. Next, community development pitfalls in corporate/stakeholder relations are noted and tagged so that a classification of social capital pattern should be able to be predicted. Often their well-intentioned efforts produce disappointing results and encounter a variety of pitfalls such as unorganized communities, self-serving elites, violent opposition, and conflicting stakeholder demands. The next step is to measure the community social capital by graphing a community's social capital pattern. The article applies the social network analysis concepts of social capital, bridging, bonding, and core periphery structure to firm/stakeholder networks. The result is a three-dimensional classification scheme showing 12 patterns of social capital. It is proposed that each of the 12 is associated with a different pattern of outcomes for the stakeholders and the company. Measures of the stakeholder network's current pattern of social capital can be compared with the 12 classification patterns to find the closest match. It is proposed that the match predicts pitfalls and therefore can guide movement toward the pattern that most facilitates sustainable development. The framework provides patterns against which the messy, mixed-up patterns of real-world networks can be compared. In conclusion, the author reflects on the attention being paid to the role that corporations can play in poverty reduction and other aspects of sustainable community development. The classification scheme presented here is an attempt to close that implementation gap.

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Boyle, M., & Boguslaw, J. (2007). Business, poverty and corporate citizenship: Naming the issues and framing solutions. *Journal of Corporate Citizenship, 26,* 101–120.

This article examines the current roles corporations are playing in reference to poverty reduction in both developed and developing nations. The article presents a preliminary exploration of what the authors see as a transition of the role of the corporate sector in relation to government, nonprofit stakeholders, and the poor, as well as a review of the various forms of poverty and the direct and indirect contributions that corporations make as related to poverty reduction. Also, a categorization of emerging actions on the part of the companies and an analysis of the different domains with regard to consequences for business, society, and corporate citizenship are reviewed. The article concludes with a call for a more explicit acknowledgement of poverty in the corporate citizenship field, for corporate leadership to name the issue, frame it in such a way as to accelerate its reduction, and to take an active role in poverty reduction efforts.

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Burke, E. M. (2005). *Managing a company in an activist world: The leadership challenge of corporate citizenship.* Westport, CT: Praeger Publishers.

The book presents creative solutions for corporations globally seeking socially responsible corporate citizenship. It provides a reality check for companies and leaders who forget how grounded citizenship has to be in dealing with the growing activism of stakeholders. The issue of activist opposition is examined. Activist opposition is spreading beyond the traditional community concerns, and there is a growing sentiment that supports the anger, if not the violence of the protestors. The new era in the relationship between companies and societies increases expectations and new rules and tactics. Companies are now expected to do the following:

- Safeguard the environment
- Support human rights
- Eliminate child labor
- Adopt codes of ethics
- Enter into partnerships with NGOs
- Display openness and transparency in relationships with customers, employees, community groups, and governmental organizations
- Promote diversity in the workplace
- Help communities solve their social problems
- Consult with community residents on business plans and strategies

A small but growing number of companies are learning how to operate under the new rules. The author points out that not all the companies are adopting the same strategies or practices. Not all are succeeding as well as they might. Some have partial victories, but they are making progress. They are guided by the following five questions:

- Who are the external stakeholders in all our communities—local, regional, national, and global—that can influence our license to operate?
- What do they value?
- What are their concerns?

- What is the nature of our current relationships with these stakeholders?
- What is our stakeholder-relationship plan?

In conclusion, the development of a company's strategies should be cautious and piece by piece. They should be viewed as a work in progress, evolving carefully and certainly.

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Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review, 32,* 946–967.

In this paper the author draws on the literature on institutional analysis in sociology and on comparative political economy in political science to explore a broad set of institutional conditions under which socially responsible corporate behaviors are likely to occur. After providing a literature review to focus discussion and after defining socially responsible corporate behavior as a threshold below which corporations no longer behave in socially responsible ways, the author presents the following seven propositions that influence a corporation's level of social responsibility.

1. Financial condition of the firm and health of the economy
2. Too much or too little competition
3. Institutional factors such as well-enforced state regulation
4. Well-organized and effective industrial self-regulation
5. Private, independent organizations, including NGOs, social movement organizations, institutional investors, and the press
6. Important business publications, business school curricula, and other educational venues in which corporate managers participate
7. Membership in trade or employer associations, which are organized in ways that promote socially responsible behavior

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Chiu, C. C. H. (2007). Workplace practices in Hong Kong–invested garment factories in Cambodia. *Journal of Contemporary Asia, 37,* 431–448.

This article examines the workplace practices in Hong Kong–invested garment factories in the regulated IRS system in Cambodia. The country has attracted foreign direct investment (FDI) in light manufacturing, mainly in the export-oriented garment and footwear sector. The United States is the largest trade partner of Cambodia in garment exports because of a unique agreement, The U.S.-Cambodia Trade Agreement on Textiles and Apparel. The agreement granted a quota for Cambodian garment exports in return for better compliance with international labor standards. The trade agreement and private-sector initiatives have combined to bring about a "labor advantage" in Cambodia. The author points out that the global foreign direct investment (FDI) flows have increased dramatically from about US $12.5 billion in 1970 to US $1.171 trillion in 2003, a 93-fold increase. In Asia and the Pacific, the rate of increase over the same period has been even greater, from US $924 million to US $145.8 billion (UNCTAD, 2005). The author concludes that a host of interactive factors—a progressive labor law, quota availability, linking trade with labor standards compliances, buyers' commitment to placing demands on garment manufacturers in regard to labor practices, and monitoring—have contributed to creating the labor advantage.

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Chow Hoi Hee, C. (2007). A holistic approach to business management: Perspectives from the Bhagavad Gita. *Singapore Management Review, 29*(1), 73–84.

The author compares and contrasts concepts from an Indian epic, the Bhagavad Gita, with the aptitude of a business, which was defined based on the 3C's—capability, capital, and connections—and the attitude of the business, defined by relationships of truth and integrity with customers, stakeholders, and society. The paper provides a clear illustration of the three major sections of the "gita," explaining the following included cultural terms:

Karma Yoga—selfless action requires discipline.

Jnana Yoga—self-knowledge is the key to detachment.

Bhakti Yoga—to remain in grace requires unalloyed devotion.

These sections are further delineated by chapters, six each with explanations by cultural topic, as well as their business application for the manager and the company. This leads to an interesting view of the difference between conservatives, entrepreneurs, leaders, and politicians. Finally, the author presents the holistic approach to business, which features an illustration of "The Essence of Business Management" that encompasses a management grid. The grid depicts business (evidence-based, profit-centric, capital, capability, connections) reflecting actions that should be taken by leaders (empower, lead, delegate, network) based on urgency and importance, and management (experience-based, purpose-centric, communication, commitment) based on the self-control attributes of discipline, detachment, and devotion. The author espouses that the vital link between business and management is the leader.

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Cornelius, N., Wallace, J., & Tassabehji, R. (2007). An analysis of corporate social responsibility, corporate identity and ethics teaching in business schools. *Journal of Business Ethics, 76,* 117–135.

This article examines the attention falling on business schools as providers of education and training for managers and senior executives. The authors investigate the nature of motivation and commitment to ethics tuition provided by business schools. They also investigate any relationship between ethics education and provisions in MBA courses, the teaching and research that underpins the nature of CSR in schools delivering specific programs, and corporate identity (CI) of the schools and their parent institutions. It concludes that CSR is a subset of the CI model as proposed by Melewar and Jenkins. The top business schools predominantly offer proactive education, with the lower tier offering a more reactive form of education.

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David, P., Bloom, M., & Hillman, A. J. (2007). Investor activism, managerial responsiveness, and corporate social performance. *Strategic Management Journal, 28*(1), 91–100.

In this empirical study with a large sample of public corporations, the authors study the relationships between shareholder proposal activism, managerial response, and corporate social performance (CSP). Shareholder proposal activism reduces CSP; the authors explain this phenomenon as activism prompting diversion of resources away from CSP in favor of political activities used by managers to resist external pressures and retain discretion. Also, and in accord with stakeholder salience theory, it appears that managers are more likely to resolve proposals filed by shareholders and without connections with CSP. Managers’ responses seem to be symbolic rather than substantive, and therefore no real changes to core policies are made.

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Deckop, J. R., Merriman, K. K., & Gupta, S. (2006). The effects of CEO pay structure on corporate social performance. *Journal of Management, 32,* 329–342.

The authors examine whether CEO pay packages provide financial incentives for CEOs to improve the firm's corporate social performance (CSP), with specific emphasis on long- versus short-term rewards. The authors acknowledge the increasing pressure for firms to become socially responsible as a result of emerging standards and the increased transparency made possible by the proliferation of independent evaluations and rankings. It was established based on a number of research studies that CSP is positively associated with corporate financial performance (CFO) and that this relationship may have implications for the design of CEO pay incentives. Using agency theory as a theoretical basis for examining competing CEO and stakeholder interests, the authors state that the self-interest tendency of agents may be deterred by imposing conditions such as pay performance incentives that would shift some of the performance risk from the principal to the agent. Further, agency theory prescribes that the typical allocation of CEO pay categories—salary, annual bonus, and stock options—vary greatly between short- and long-term incentive systems. This short/long-term measure critically defines CEO performance interest (Jensen et al., 2004). The authors conclude that the more firms use a long-term focus on CEO pay, measured by the percentage value of restricted stock options in the pay package, the higher the firm's CSP will be.

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Dolan, P. (2004). Sustainable leadership. *Leader to Leader, 33,* 8–12.

The author introduces the principles for sustainable leadership through the example of his company, Fetzer Vineyards:

- The leader should consider that business is part of a much larger system, an interconnected web of relationships, since companies and individuals share the same world and future. Therefore the consequences of every action the company takes will make an impact on the company's business in the long term.
- The leader needs to realize that the business culture is influenced by the context the leader creates for it. Therefore it is necessary to create a context that motivates people to react to the challenge of sustainable development. With the appropriate context and culture, sustainability will move from theory to common action, owned by the employees and not directed from above.

- If the leader understands that the soul of a business is found in the hearts of its people; sees people as sources, not resources of sustainability; and acknowledges their contributions, then employees will shift from accountability to responsibility.
- A leader should consider that "true power is living what you know"—what you know about the people, the land, and the community your business is based in—and that therefore knowledge can lead to empowerment.
- If leaders have plans for change on a larger scale, those plans will organize their orientation and achievements.
- For realizing the large-volume plans, companies have to take absolute and proactive stands and not only relative and reactive positions on sustainability, which will make everyone at the company personally engaged in the realization of sustainability.

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Fort, T. L. (2007). The corporate contributions to one planet living in global peace and security. *Journal of Corporate Citizenship, 26,* 20–24.

In this article the author presents the question of whether corporations can do anything about creating peace and security or if it is just too big a topic—and too political a topic—to be realistically pursued. In reference to who has the responsibility for peace, government says its hands are tied; NGOs say they only have the power of persuasion, which has significant limitations; and businesses say that peace is really the responsibility of government and, to a lesser extent, actors in civil society. The Global Compact and the Global Reporting Initiatives are the optimal ways of building the infrastructure for this necessary blending, and it is hard to imagine progress without these initiatives. The author emphasizes that voluntary discussions will go only so far. He argues that businesses don't necessarily have peace and security at heart, and when there are calls for businesses to change, in their acquisitiveness there is self-interest in promoting watered-down self-regulations. In conclusion, to create a corporate responsibility approach that would lead to peace through commerce requires three kinds of trust: hard trust, real trust, and good trust. No one of these approaches will do the job of creating peace through commerce. It is when they are fully integrated that our best chance occurs.

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Foster, R. (2000). Leadership in the twenty-first century: Working to build a civil society. *National Civic Review, 89*(1), 87–93.

The author discusses the challenges of leadership in the twenty-first century. Effective leaders need to know how to motivate people to solve problems in their communities and how to empower people to improve the quality of their life. They also must know how to shape and respond to issues that affect their communities in the local, national, or global context. In the author's opinion, social progress depends on effective leadership. Leaders must understand the need for collaboration, for shared leadership and dynamic partnerships among the corporate government and civic society sectors to face the complex challenges of the future in our global, knowledge based, multicultural society. There is a need for a deep sense of mission and passion; for strong moral, ethical, and spiritual values; for self-awareness; for courage; and for a sense of humor. Leaders must also know how to engage people in the process; therefore, there is a crucial need for honesty and integrity. They need to master new technologies in the information society. They must know how to build collaborative teams, partnerships, strategic alliances, networks, and coalitions. They must have global perspective and be willing to embrace diversity and cultural differences and to encourage multiple viewpoints; they should be comfortable with sharing leadership. They have to teach the importance of tolerance and help people learn how to live together.

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Fowler, S. J., & Hope, C. (2007). Incorporating sustainable business practices into company strategy. *Business Strategy and the Environment, 16,* 26–38.

In this article Hart's Natural Resource Based View (NRBV) on business is reported and empirically analyzed through a case study. The NRBV is a development of the Strategic Management Theory and Sustainability approach. In response to old approaches consistent with Friedman's neoclassical view that the primary duty of management is to maximize return to shareholders, sustainability scholars defend win-win scenarios where companies can maximize return while making progress toward the implementation of sustainable business practices. The NRBV proposes three interlinking strategies: process innovation to reduce pollution by reducing waste, product stewardship or the implementation of the life-cycle analysis to measure the impact of the product throughout its life, and sustainable development or the development of new low-impact technologies. These strategies allow consideration of the social impact of a firm and its engagement with stakeholders. Furthermore, the results of this case study clearly demonstrate how the logic of a sequential order of the strategies can be abandoned in favor of a parallel framework. As seen from the interviews with the executives, the necessary resources can be accumulated in parallel, resulting in the principle of embeddedness: pollution prevention is embedded within product stewardship, and product stewardship and pollution prevention are, in turn, embedded with sustainable development. Practices and policies at any strategic level are amply reported and practically discussed throughout the article, and stakeholders' partnership at every level is discussed.

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Frame, B. (2005). Corporate social responsibility: A challenge for the donor community. *Development in Practice, 15,* 422–432.

The author currently undertakes consultancy and research in sustainable development and CSR with international donors, national and local governments, and the private sector, and has worked in this area for over 20 years, mostly in South Asia and China. In this paper he is calling on the development donor community, which includes donors such as the United Kingdom Department for International Development, the United States Agency for International Development, and the Australian Government Overseas Aid; private consulting companies; and NGOs to improve their internal track records in terms of CSR accounting, by putting appropriate CSR measures into their internal and supply-chain activities. One example of a lack of cohesive process is that, when they evaluate competitive bids, donors do not formally credit companies bidding for development contracts with involvement in CSR processes. Behavior changes in donor organizations, which would influence further change in the supply chain, are needed and might well be achieved with the introduction of CSR measures such as voluntary disclosure on socially responsible investments, the reduction and mitigation of carbon emissions, and voluntary CSR reporting. Further, there is a need for greater dissemination of good practice and more pressure to be exerted on NGOs to prove themselves as ethical, transparent, and accountable as those they seek to influence (Murphy, 2003). To facilitate this process, the author offers a modified CSR framework. The framework relates changes in governance approach, transparency, and accountability, as related to various business paradigms ranging from "business as usual" at one extreme to "restoration of capital" at the other, with three additional stages in between. Further, the author provides a guide for CSR activities, consisting of a set of internal and external indicators that mark level of sustainability (weak or strong) for the various activities. Finally, the author warns that CSR is here to stay and that it is independent of the political climate surrounding global protocols. In addition, early adopters are setting an important trend that needs to become mainstream normative behavior.

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Frynas, J. G. (2005). The false promise of corporate social responsibility: Evidence from multinational oil companies. *International Affairs, 81,* 581–598.

Despite its spending of over US $500 million in 2001 alone and despite a long list of community development programs and other CSR initiatives, the effectiveness of CSR initiatives in the oil, gas, and mining sectors has been increasingly questioned. And there is mounting evidence of a gap between the stated intentions of business leaders and their actual behavior and impact in the real world, according to this author. In addition he states, to the extent that expectations for CSR now encompass delivering development solutions, the typical business case model for CSR must now be expanded to include the broader context of international development. This paper provides a critical account that suggests that the actual and potential contribution of oil companies to development faces structural constraints and that the current CSR agenda may be inappropriate for addressing social problems in developing countries and may divert attention from broader political, economic, and social solutions for such problems. The author discusses four important factors in a firm's decision to embark on community development projects: obtaining a competitive advantage, maintaining a stable working environment, managing external perceptions, and keeping employees happy. Citing community development failures of oil giants, including Texaco, Shell, and BP, the following explanations for the failures were offered: the primacy of the "business case," incompatibility of corporate objectives with developmental objectives, country- and context-specific issues, failure to involve the beneficiaries of CSR, lack of human resources, social attitudes of oil company staff, a focus on technical and managerial solutions, and failure to integrate CSR initiatives into a larger development plan. The author concludes that as CSR exists today in the oil industry, it has limited potential for fostering genuine local community development in practice.

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Fukukawa, K., Balmer, J. M. T., & Gray, E. R. (2007). Mapping the interface between corporate identity, ethics and corporate social responsibility. *Journal of Business Ethics, 76,* 1–5.

The authors introduce a special issue of the journal by defining two terms: *corporate identity* and *ethicalization.* Corporate identity reflects "what a company really is," rather than what a company might espouse. Ethicalization refers to an encapsulation of CSR, ethics, and corporate identity, and is described by four strands of proposed inquiry, which were highlighted and discussed:

- Foundations triggers and motives, consisting of altruistic beliefs of the leader; strategic alternatives, such as gaining competitive advantage in the face of global competition; and external forces
- Management of ethical identity, which is accomplished by implementing a social responsiveness program including establishing goals, policies, procedures, and monitoring; and review mechanisms
- Action and communication, focusing on the gap between communication and demonstrated actions, which must reflect alignment
- Image and stakeholder perception

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Garvy, N., & Newell, P. (2005). Corporate accountability to the poor? Assessing the effectiveness of community-based strategies. *Development in Practice, 15,* 389–404.

This paper focuses on the effectiveness of strategies undertaken by communities to demand corporate accountability (answerability and enforceability) and the challenges and limitations therein, particularly in cases of the poor. Noting that many of the problems faced by communities in holding corporations accountable result from poverty and inequality, rather than geographic location, the authors draw on evidence and trends from 80 case studies to illustrate the ways in which the actions of transnational corporations (TNCs) impinge upon livelihood issues such as land rights, access to resources, and occupational health and environmental concerns across a range of sectors, including mining, forestry, oil extraction, and waste dumping. (Sixty thousand TNCs and 500,000 foreign affiliates invest more than US $600 billion abroad annually.) Arguing that mainstream CSR discourse pays insufficient attention to the politics of corporate accountability and the influence of power on how mechanisms of accountability and spaces for citizen participation in CSR initiatives work in practice, the authors combine lessons from this conceptual framework with analysis of the cases, to establish that a number of state-related, company-related, and community-related factors are the key to understanding the effectiveness of community-based strategies of corporate accountability. They conclude that the success of community-based strategies for corporate accountability is conditional upon the right combination of state, civil society, and corporate actors and that the factors that influence the effectiveness of corporate accountability to the poor are multiple, complex, and tightly interconnected.

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Giampalmi, J. (2004). Leading chaos, paradox and dysfunctionality in sustainable development. *Executive Speeches, 19*(2), 6–13.

The author describes in his speech the following core leadership competencies that are needed for sustainable development.

- Courage—have the courage of your convictions and your principles.
- Integrity—the link to open communication. If people trust you, they will give you their time.
- Business acumen—think globally, increase the bottom line, and learn to recognize all available resources to accomplish this.
- Define the correct question—leadership is defining and understanding what the real question is; the triple bottom line includes many agendas, and many agendas are hidden.
- Passion—direct your passion and fun to support a lifestyle in which you would be happy.
- Have a life—"you can't think out of the box if you are always in the box"; have fun at the job you are doing.
- Compassion—showing compassion and empathy are vital in leading people.
- Think like a child—integrate knowledge, stretch your mind, and try to match what traditionally does not align, e.g., environment with accounting, legal with strategic planning.
- Have a sense of humor.
- Succeed and fail—learn from the failure, but do not depend on the failure.

- Vision for legacy—instead of vision for activity. Be remembered as a person who designed a society that is educated, environmentally friendly, safe, and economically sustainable.
- Recognize a window of opportunity—combine experience with opportunity.
- Be productive, not busy—leadership requires inspiring and encouraging people to be productive rather than just busy.
- Lead—the leader has to move out from the comfort zone, which can result in discomfort, fear, failure, and becoming unpopular. Do not be fooled or disillusioned—when your opportunity presents itself to be a leader, lead!
- Expect ambiguity—prepare to lead an organization or project with no budget, no people, and no direction but with expectations of high results. Prepare for ambiguity, uncertainty, multiple interpretation, and lack of clarity.
- Common sense and good judgment are needed in many areas, such as ethics, integrity, business, and people.

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Gil Estallo, M. D. A., Finer de-la Fuente, F., & Griful-Miquela, C. (2007). The importance of corporate social responsibility and its limits. *International Advances in Economic Research, 13,* 379–388.

These authors posit that CSR is a new management tool and not a fashionable concept, and they seek to analyze the advantages and limitations thereof, to define a management model for achieving responsibility within or among organizations. The authors offer a concept of "company" with supply chain management at its center, surrounded by competitors, customers, collaborators, and providers. They highlight a point of contention with Friedman's 1966 statement indicating that it did not take into account all of the people that must cooperate and perform in order to make a profit. In addition, they indicate that maximizing profit is simply a mathematical concept, as there is always the possibility of achieving a higher performance. The authors state that in the current business context of extreme competition and rapidly changing information, companies have to treat every one of their human collectives responsibly and adapt to the context in which it is located in order to grow and make profits. They hypothesize that CSR, appearing at the beginning of the twenty-first century as a management tool, will remain through time, and they offer a number of facts in its support. The article concludes with Argandona's 1997 list of aspects found within a company ruled by ethical criteria; limitations of CSR; and a formal model using economic, social, environmental, and business indicators.

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Gillis, T., & Spring, N. (2001). Doing good is good for business. *Communication World, 18*(6), 23–27.

The authors provide an overview of CSR. The article would be beneficial to anyone who wants to understand the concept and the current CSR landscape. Defining CSR as business decision making based on ethical values; compliance with legal standards; and respect for communities, citizens, and the environment, the authors highlight major topics that must be addressed under the CSR umbrella: environment, employment, and human rights. They also weigh in on approaches to establishing and implementing CSR initiatives, citing reflection of mission and business core values, response to constituent pressure, corporate philanthropy, and corporate partnerships, pointing to examples and benefits of each. Equally important, the authors identify the various stakeholder groups and clearly articulate their respective positions and concerns in the CSR landscape. Finally, the authors address measuring, communicating, and reporting of CSR.

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Graafland, J., & van de Ven, B. (2006). Strategic and moral motivation for corporate social responsibility. *Journal of Corporate Citizenship, 22,* 111–123.

Using a sample of 111 Dutch companies, this empirical study tests the hypothesis that a positive strategic and moral view of CSR stimulates small and medium enterprises to undertake CSR efforts. For the purpose of the study, managers' strategic views of CSR (the extrinsic motive), as well as their moral views (the intrinsic motive), have been measured through a single-item approach and with reference to five stakeholder groups: employees, customers, competitors, suppliers, and society at large. The extrinsic motive is constructed as a company's moral duty, while the intrinsic motive sees CSR for its contribution to the long-term financial success of the company. Results show that a vast majority of respondents had a positive view of CSR in both dimensions. Nevertheless, there is a weak correlation between strategic CSR and actual CSR efforts. The strategic view generates active policies only toward consumer relations and partially toward employee relations, but not with regard to the other three stakeholders. Even though the first step for the implementation of CSR is a growing awareness of the strategic importance of CSR by top company leadership, the findings of this study reveal that a positive strategic view of CSR is not a sufficient condition for a firm to actually undertake enhancement measures. CSR implementation is more related to moral commitments than profit maximization, and this suggests a cautious view of CSR and its financial advantage.

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Grossmanx, L. (2004). Rating corporate social responsibility. *Businessdate, 12*(4), 5–7.

This article presents the RepuTex social responsibility rating system, which provides independent measures of social responsibility performance. Like a credit rating, RepuTex rates any type of organization, be it government, private, publicly listed, or not-for-profit. RepuTex uses four key indicators to measure an organization's social performance. To maintain the established community foci for RepuTex, the assessment criteria in each category are made available for public comment. During this time, community stakeholders, companies, expert bodies, and interested parties may provide feedback and input. An analysis of RepuTex's results shows that employee management is the area of highest correlation to overall results, but high-achieving companies generally perform at high levels across all categories. In conclusion, one of the gains from the connected economy is transparency.

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Hall, C. (2007). Are emerging market TNCs sensitive to corporate responsibility issues? *Journal of Corporate Citizenship, 26,* 30–36.

In this article the author highlights the rapid growth in the number, size, and scope of transnational companies (TNCs) attributed to emerging markets. Only a small number of these TNCs have become global competitors able to square off with Western business leaders. The United Nations Global Compact, the world's largest voluntary corporate citizenship initiative, questions the business practices of emerging market TNCs that have been cultivated in areas renowned for deficient economic, political, and social frameworks that can lead to low thresholds for ethical behavior and accountability for business. New examples of human rights violations, worker exploitation, and corruption being carried out by emerging-market TNCs, as well as developed-country TNCs, are frequently revealed. It is no secret that companies devoid of responsible practices are winning contracts and making profits in developing countries despite their behavior. Despite the documented bad behaviors, the author concludes that today's globalized society is engaged in a race to better standards for corporate behavior, not worse. As more companies like Tata Steel, Cemex, Haier, Koc, and SAB Miller emerge as global players, it will become evident that principled corporate behavior is essential to winning business strategy for emerging-market TNCs.

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Handy, C. (2002). What's a business for? *Harvard Business Review, 80*(12), 49–55.

The author posits that the purpose of business is not to make a profit, "full stop," but rather to make a profit so that the business can do something more or better. Pointing to corporate scandals during the period and factors that contributed to them, the author illustrates the "diseased state" of American, and some European, businesses. He also states that corporate law is outdated and/or broken, as evidenced by so-called owners who are actually mere investors, and assets of the business that are increasingly becoming employees rather than buildings and equipment, though are not reflected as such. Also, associations recognized by the law, such as shareholders, creditors, and directors, are incapable of production or distribution. Yet the workers, managers, technicians, and employee directors who do produce and distribute are not recognized as an association by law. To repair the image of business in the community, both cultures need more honesty and reality in the reporting of results and possibly a change in the corporate compensation strategy. Taking the lead in environmental and social sustainability by adopting a community approach might well be the key to changing current views of capitalism.

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Hanson, D., & Middleton, S. (2000). The challenges of eco-leadership. *Greener Management International, 29*, 95–107.

The authors describe eco-sensitive leadership as a means to ensure that an organization strives for sustainability. The article discusses the requirements for eco-sensitive leadership, which are the following:

- The adoption of a long-term timeframe
- A sensitivity to the complexity of the natural world

- The adoption of nonanthropocentric viewpoints
- An awareness of environmental risk
- The use of noneconomic valuation techniques

Eco-Machiavellianism means that the leader is ready to manipulate people and units to reach the goal of eco-sensitivity. The transformational leader is able to communicate so enthusiastically that the result is pulling and not pushing people to commit them to the vision of the leader. Deliberative techniques and role modeling can be used for influencing the employees and the organization. After the enthusiastic beginning, the organization can lose some of the initial excitement; therefore, the role of the eco-sensitive leader transforms from the builder to the defender of the established culture. The eco-sensitive leader must put the goal of eco-sensitivity above conventional goals and be ready to manipulate and understand the impact of general culture on organizational culture.

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Hartman, L. P., Rubin, R. S., & Dhanda, K. K. (2007). The communication of corporate social responsibility: United States and European Union multinational corporations. *Journal of Business Ethics, 74,* 373–389.

The article reviews a study conducted on CSR. A cross-cultural analysis of communication of CSR activities in a total of 16 United States and European corporations was conducted. The authors contract two major approaches to CSR initiatives. The results support the expectation that U.S. companies tend to communicate about and justify CSR using economics or bottom-line terms and arguments, whereas European companies rely more heavily on language or the theories of citizenship, corporate accountability, or moral commitment. Results also indicate that European companies do not value sustainability to the exclusion of financial elements, but instead project sustainability commitment in addition to financial commitment. U.S.–based companies focus more heavily on financial justifications, while European–based companies incorporate both financial and sustainability elements in their justification of CSR. In conclusion, the authors posit that U.S.–based companies favor more heavily economic justifications for engaging in CSR and that European Union–based companies favor sustainability arguments in order to bolster their actions in stakeholder engagement.

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Hatcher, M. (2002). New corporate agendas. *Journal of Public Affairs, 3*(1), 32–38.

In this article the author presents the changing public affairs agenda for businesses operating in a more interdependent world. As the roles and responsibilities of government are being redefined and the boundaries between business and government become less clear, business leaders are facing a daunting array of challenges. In the new age of CSR, the needs of stakeholders, consumers, employees, national as well as international regulators, watchdogs, NGOs, and activist groups have to be satisfied. The author points out that the number of variables that could affect the bottom line appears to be growing at an exponential rate and that losing the trust of stakeholders can be fatal. The Internet is creating a cyber-citizenry which is fast eroding the power of political and business elites.

The author identifies the five resonant messages about corporate agendas that cut across sectoral concerns. The first message is have something to say and say it, especially when invited to do so. This implies getting organized. The second message is that the new corporate agendas will feature calls for transparency. The third message is that enlightened businesses will invest in the environment in which they want to do business, not just for their own interest but for the benefit of the wider community. The fourth message is that the new corporate agenda will see businesses push for better quality regulation, in new ways that include bypassing the state. The fifth message is that burdens can be shouldered. The author concludes: There is a need for businesses to speak up for business, push for greater transparency, venture beyond mere compliance with national regulatory systems, fashion the new regulatory and trading environments of the future, and shoulder the burdens of shaping the business agenda. Time is not on the side of businesses. The world cannot wait until 2010. Business must get more involved and counter the cyber-cohorts.

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Hawser, A. (2006). State of the nations. *Global Finance, 20*(4), 4.

Anita Hauser's article reports that a relatively new Responsible Competitiveness Index links the state of corporate responsibility to national competitiveness. The index is part of a report produced by an international think tank, Accountability, chaired by Simon Zadek. The index includes criteria such as corruption, civic freedom, environmental management, and corporate governance pertaining to CSR in over 80 countries and is combined with the World

Economic Forum's Global Competitiveness Index. The combination, taking CSR into account, revealed the ranking of some countries such as the United States, Germany, Portugal, Greece, and Hungary.

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Hempel, J., & Porges, S. (2004, September 6). It takes a village—and a consultant. *Business Week,* pp. 76–77.

Jessi Hempel and Seth Porges report on a unique social responsibility initiative, The Ulysses Program, used by Price Waterhouse Coopers (PWC). The program features an immersion experience for future leaders in a third-world country, where they lend their business skills toward solving a community or business issue. Benefits of the experience for the company are:

- It instills values such as community involvement that are fundamental to its corporate culture.
- It develops a global perspective in these employees.
- It helps prepare the leaders for challenges that go far beyond accounting and consulting skills.
- It results in stronger commitment to PWC.

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Heugens, P., & Dentchev, N. (2007). Taming Trojan horses: Identifying and mitigating corporate social responsibility risks. *Journal of Business Ethics, 75,* 151–170.

The authors identify the risks that companies are exposed to when integrating CSR by presenting two studies they conducted. One study was exploratory, and the other was corroborative. The first study employed the grounded theory method (Glaser & Strauss, 1967) to uncover various CSR risks. Seven risks associated with CSR investment were identified. They ranged from failing strategies implementation to legitimacy destruction. A set of managerial mitigation strategies that have the potential to realign companies' CSR activities with their strategic objectives were discussed. The purpose of the second study was to investigate whether the CSR risk identified in the first study had any relevance in a business setting. An analysis of the data revealed modest to strong corroborative support for them. In conclusion, the findings suggest that CSR involvement is not an innocent activity and that experimenting with it can be dangerous for the competitiveness of business organizations.

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Houghton, J. R. (2005). Leadership: Seven behaviors for "muddling through." *Executive Speeches, 19*(5), 42–46.

In this speech delivered at the Senior Leadership/Corporate Transformation Conference on April 11, 1996, primarily focused on key leadership behaviors, James R. Houghton, chairman and CEO of Corning Incorporated, makes several references to social responsibility. Houghton indicates that "Companies need to own up to their social obligations and responsibilities to workers. If we ignore this responsibility, it may be taken away." Further states Houghton, "Companies will have to apply resources to deal with stress; be sympathetic and sensitive to help people through bad situations; show responsiveness to employees' needs outside of the workplace, which may mean ongoing support for work-family balance, for flexibility in dealing with individual needs and concerns, even for continued financial support of the infrastructure in communities where we operate." Houghton also espouses being a good corporate citizen, which includes participating in activities such as contributing one's time and money to worthy causes, sharing management expertise with educational and cultural institutions, and considering running for elective office. Finally, the author states that the following behaviors are essential to lead the new organizations that are being created:

- Have a spirit that is not too sure it is right all the time.
- Be a team player and pay attention to the bench.
- Balance deliberation with action.
- Filter everything through a broad-minded, widely experienced world-view.
- Make technology your friend.
- Do not forget the bottom line.
- Leave your office once in a while.

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Houston, T. E. (2006). Ethics in evidence. *ColoradoBiz, 33*(3), 49–56.

The author provides highlights from a 2006 Voices of Experience, a Values-Based Speaker Series, presented by the Department of Business, Ethics, and Legal Studies at Denver University's Daniels College of Business. While the overriding theme of the series was ethics, corporate social responsibility was featured in commentaries and in company profiles of three award winners. The first winner was Jan Bezuidenhout who, after watching her terminally ill grandfather die, founded Namaste Comfort Care. Her outpatient hospice care facility provides an interdisciplinary team to maximize comfort for the patient and honor wishes of the family while helping them prepare emotionally and spiritually for death. Bezuidenhout never turns anyone away. Next, Neil Cunningham, a restaurant owner, is known for hosting a free annual Mother's Day dinner for poor women; for raising over US $250,000 over 15 years through a Quarters for Kids Program that buys meals for children in homeless shelters throughout the city of Denver; and for providing charitable contributions to Project Mercy, a 30-year-old organization that helps Africans in need and operates a community center in Yetebon, Ethiopia. Finally, the Laradon Hall Society for Exceptional Children and Adults was started in 1948 by Joe and Elizabeth Calabrese, after they were unable to find help raising their two disabled sons who needed constant attention and were deemed "uneducable" by the local school system. They started their own school for their boys and other children like them. In 2006, the school had a budget of US $9 million, serving 375 people.

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Hulm, P. (2006). Fair trade as a business model. *International Trade Forum, 2*, 20–21.

Peter Hulm presents a view of fair trade that reports statistics, implications, and pros and cons of the initiative. The issue is that farmers in developing countries receive only pennies on the dollar, or less, for their products. And while the fair-trade movement unofficially reached the age of 60 in 2006, still only one-tenth of one percent of all goods traded internationally is sold through this channel. Europe is a major player in the movement, comprising 60–70 percent of the entire fair-trade market, with these products in 55,000 supermarkets there, and sales growing at an average rate of 20 percent per year since 2000. Fair-trade organizations use five goals to enhance development: price premiums, certification and labeling, microcredit, technical support, and advocacy, with some advocating fair trade as a business model. The prime benefit of the program is better prices for farmers leading to improved living conditions. Opponents of fair trade highlight the small market share, a misguided focus (low-priced commodities versus diversification of exports), distribution strategy, and concerns over savings as some of the problems.

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Husted, B. W. (2003). Governance choices for corporate social responsibility: To contribute, collaborate or internalize? *Long Range Planning, 36*(5), 481–498.

Bryan W. Husted is a professor of management at EGADE Graduate School of Business at the Technológico de Monterrey in Mexico and is Alumni Associate Professor of Business Ethics at the Instituto de Empresa in Spain. In this article Husted examines three CSR governance structures—in-house, outsourcing, and collaborative—and presents a framework for companies to determine which structure would be the most effective (the greatest social good at the least cost). Outsourcing occurs when firms make charitable contributions to nonprofit organizations that undertake charitable, social, educational, community, and scientific work. In-house projects involve extensive corporate participation in the planning, execution, and evaluation of social projects, generally implemented at the organizational unit. Collaboration involves a partnership between the firm and a nonprofit organization. Specific factors related to the firm's choice of governance structure discussed in the article include the following:

- The factor of cost coordination (reduced costs when two departments or companies work together to provide a product or service)
- The factor of motivation (assurance that individuals or companies fulfill their agreements)
- The concept of centrality (closeness of fit between the firm's CSR activity and its mission and objectives)
- The concept of specificity (the extent to which the firm is able to capture a share of the profit stream generated by its investments in CSR), from which the decision-making framework is developed

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Husted, B. W., & Allen, D. B. (2007). Corporate social strategy in multinational enterprises: Antecedents and values creation. *Journal of Business Ethics, 74*, 345–361.

This article examines the relationship of the multinational firm's market environment, stakeholders, resources, and values to the development of strategic social planning and strategic social positioning. To examine the relationship of these different ways of conducting social strategy to create value to the firm, Mexico was selected. The authors point out that much of the work has focused on CSR in the attempt to demonstrate that positive CSR can be linked to improved financial performance. The results at best have been mixed, in some cases showing a positive relationship between the two; in others, a negative relationship; and in still others, no relationship. To test this theory, a survey instrument was developed on the basis of the main elements of corporate social strategy. Items to measure the market environment, stakeholder salience, and values were taken from the existing literature. The results suggest that the intentional use of social strategy depends upon the presence of specific configurations of industry environment, resources, and values. In addition, the article suggests that the relationship of firm financial performance to social responsibility is a complex one mediated by a whole series of intervening variables.

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Ireland, J. (2007). A responsible company that's making the grade. *Leadership in Action, 27*(1), 18–20.

John Ireland, a professor in marketing at EADA, an international business school based in Barcelona, Spain, shares the World Business Council for Sustainable Development's definition of CSR: "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large." Providing the backdrop that there were over one hundred studies conducted since 1972 which support the business case for CSR, Mensajeros Radio (MRW), a full-service international package delivery firm headquartered in Barcelona, was profiled as a CSR model. Some of the firm's external innovative initiatives are to promote balance between family and work life; to pay employees bonuses to give interviews and speeches; and to extend 70 percent discounts to the disadvantaged, to university students, and to professors in teaching positions far from home, as well as to nonprofit organizations. Internally, MRW sliced the normal Spanish 9 a.m. to 7 p.m. workday, with a two-hour lunch, to a standard 8 a.m. to 4 p.m. day, with a half-hour lunch. Also, the company offers six months maternity leave, one hour per day for breastfeeding, subsidized day care, free parking and use of the gym, as well as an 80 percent reimbursement of tuition fees as part of its worker-friendly benefit package. The CSR qualities can be found in MRW's hiring practices—14 percent of employees have disabilities. And the qualities can be found in management governance structuring. For example, the arbitration and ethics committee is comprised of franchisee representatives and corporate managers, and the franchisee representatives outnumber the corporate managers eight to three. The CSR patterns are apparent, and the holistic nature of the solutions is evident at MRW.

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Jackson, I. A., & Nelson, J. (2004). *Profits with principles: Seven strategies for delivering value with values.* New York: Doubleday.

The book provides a comprehensive description of the global trends, competitive pressures, and changing expectations of society that are reshaping the rules for running a profitable and principled business. It also offers companies a framework for mastering the new rules of the game by realigning their business practices in ways that restore trust. Information is presented on the crisis of trust, the crisis of inequality, and the crisis of sustainability. The book presents the following seven principles that serve as a framework:

1. Harness innovation for public good.
2. Put people at the center.
3. Spread economic opportunity.
4. Engage in new alliances.
5. Be performance driven in everything.
6. Practice superior governance.
7. Pursue purpose beyond profit.

The seven principles can be used as a compass to help executives and managers navigate new terrain and apply the strategies and terminology most appropriate for each company. The book focuses on companies and business people who are delivering both private profits and public benefits. It profiles real companies delivering measurable performance and concrete solutions for stakeholders.

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Jayne, V. (2004). Sustainable and responsible now a fact of management life? *New Zealand Management, 51*(3), 26–33.

Vicki Jayne examines the extent to which sustainability and social responsibility have become a part of the management culture in New Zealand, which ranked ninth on the Responsible Competitiveness Index list. Ongoing research by the University of Waikato and New Zealand's Sustainable Business Network was a source for some of the data included in the article. Stewart Lawrence, a professor at the University of Waikato, states that "whichever track they're taking, there's a growing sense that looking after their people, the community they work in, and the environment around them are all relevant to long-term business survival." Some drivers of this movement are risk-management/risk-assessment, "no regrets" gains (energy savings or waste reduction requiring little investment), brand identity (Phoenix Organics), and the increasing realization that "people matter." On the other hand, critics wonder if companies will neglect their prime duty to create shareholder wealth, or whether they are experiencing a "feel-good factor" provided by engaging in CSR that will not survive tough economic times. Though the business case—management of risk, protection of brand equity, maintenance of positive public relations, maintenance of a position ahead of regulatory controls—for CSR appears strong, there are doubts as well as cynicism out there. Mark Prain, executive director of Redesigning Resources, questions how the CSR concept can be locked into corporate DNA. In his work over four years with eight New Zealand and two Australian companies, he concluded that "the issue is less about sustainability with a big *S* and more about leadership with a big *L*." The article concludes with comments from Mike Pratt, Waikato Management School Dean, who states that New Zealand is at a point where the concept of sustainability is seen as desirable; the debate is about how to deliver on that and how to make it work in practice. Moreover, according to Pratt, "sustainability today is a bit like quality was in the 1970s. Now quality is embedded as a fundamental management principle."

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Jones, D. R. (2000). Leadership strategies for sustainable development: A case study of Suma Wholefoods. *Business Strategy & the Environment, 9*(6), 378–389.

Through the case study of Suma Wholefoods, the author describes possible leadership strategies for a firm wishing to move toward sustainable development. In the case study, the author introduces the changing leadership styles of this value-based company. Suma Wholefoods holds a holistic view of sustainable development, with the focus on equity issues and environmental responsibility.

The leadership strategy of the early times of Suma Wholefoods can be described as full direct worker participation, which has led to confusion and frustration among the employees over the amount of time spent on decision making. Therefore the leadership strategy changed to a more indirect pluralist representation form, based on delegated specialist groups and a combination of participative and supportive leadership styles designed to satisfy individual goals rather than the organization's goals. The personnel committee took the diversity of opinions, values, and backgrounds of the workforce into account and implemented extensive antidiscrimination policies. As the workers started to question the committee's decisions and mistrust the participative leadership style, there was a need for change, and a change was made to the present leadership strategy. A management committee has been established to make environmental decisions and increase the commitment of the workers on sustainable development goals, combining transactional leadership style (members of the management committee chosen by the workers on the basis of their environmental management skills) and transformational leadership style (members of the management committee chosen by the workers on the basis of their charismatic leadership qualities). The leadership is based upon a unitarist principle, focusing upon inducing a shared set of values.

Future leadership strategy: The unitarist strategy is not effective in developing a greater shared value for sustainable development, so there must be a future leadership strategy put into place. Because of the diverse workforce, more personal incentives are needed through reward and recognition of values. There is a need for supportive and transformational /visionary leadership styles simultaneously, and there is also a great need for transparency.

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Joseph, E. (2002). Promoting corporate social responsibility: Is market-based regulation sufficient? *New Economy, 9*(2), 96–101.

The author presents the unsustainable depletion of natural resources, perpetuation of poor health, and imposition of dangerous working conditions as just some of the external costs imposed by international commercial operations. These costs are borne by developing countries that do not receive adequate compensation from companies responsible for social and environmental damage. At the national level there are significant barriers to regulating companies to ensure that they manage their social and environmental impacts. Prescriptive legislation often leads to tokenistic responses, and regulation can become an inaccurate reflection of society's concern because it is lagging behind public opinion. At the international level, because of inadequate global governance and discrepancies between national social and environmental laws, improvements in corporate practices often have to rely on voluntary actions. There are abundant recognized international standards—those set by ILO, OECD, and UN—for protecting workers, human rights, and the environment, for example. However, where these are not incorporated into national legislation or are not applicable to overseas operations, their effectiveness is much diminished. The author points out how companies take voluntary action when market forces reward them for doing so. How companies improve their performance can be driven by the reaction of institutional investors and stakeholders, employees, suppliers, customers, community representatives, and NGOs.

Pressure from stakeholders can in theory be a formidable force for improvements in behavior. The author states that a critical question for policymakers is how effective a means of improving corporate behavior can reporting on social and environmental impacts be? The United Kingdom and European Union are currently grappling with the relative merits of mandatory, as opposed to voluntary, social and environmental reporting. Organizations charged with auditing or verifying reports rarely comment on issues that they report. The author concludes that the use of voluntary guidelines such as GRI reduces the ability of stakeholders to make comparisons across companies, because of the flexibility over what individual companies report on. A three-tiered requirement depending on the relevance to the organization is recommended. Even if laws are put in place, disclosure is necessary but does not have sufficient impact on market forces to apply pressure to companies.

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Kambalame, D., & deCleene, S. (2006). Partnership building as an approach to addressing corporate social responsibility in the agriculture sector in Malawi. *Development Southern Africa, 23*(2), 281–287.

The authors point out that the key factor in improving Malawi's trade and economic growth will be how CSR provides the platform for stakeholders to come together and manage the supply and value chain to improve livelihoods, particularly in the agriculture sector. The authors highlight the productivity of Malawi despite its state of poverty. Malawi is one of the economically lowest developed countries in the world—in 2003 the gross domestic product per capita was estimated at US $195, having fallen below the 1992 estimates of US $200. Estimates show that 54 percent of the population lives below the national poverty line. Agriculture is the largest sector in Malawi's economy. Tobacco is the main export crop, accounting for 60 percent of the total export earnings. Inadequate farm infrastructure (including transport routes, power supply, drainage, irrigation, storage, and grading facilities), poor provisions for services, and a weak skill base have all restricted small farmers. The authors point out that CSR in Malawi has traditionally tended to be philanthropic in nature, responding to perceived individual needs of the location where the company tends to operate rather than setting up target strategic interventions to improve overall sustainable livelihood at the country level. To address the issues plaguing the country, businesses have tried some coordinated approaches to problems, including fighting and/or preventing child labor, HIV, and AIDS in the workplace and providing provisions for basic health care.

The authors present three case studies: company- and issue-specific partnership; collective, issue-specific partnership; and collective, sustainability-focused partnership. Essentials of a strong partnership include regular communication and equity among partners. The authors concludes the following:

- That partnership models must shift from single-issue-driven initiatives to sectorwide approaches that aim to incorporate CSR practices into the core business strategy of a given company
- That there is a need for increased professionalism and more research on emerging partnership models
- That there is a risk of failure if there is no proper partnership facilitation

CSR partnerships in Malawi are at a crossroad between traditional approaches of dealing with a business's specific concern and the new approach that sees partnerships as catalysts for re-engineering the core business strategy itself.

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Kapelus, P. (2004, June). Striving for responsible competitiveness: Companies will have to lead by example. *Finance Week, 30,* 36.

This article focuses on CSR and the concept that being responsible as an organization is more than corporate social investment. The author states that community giving is vitally important in South Africa and that being responsible is also about being responsible as directors. It is about the effect on the community and the environment in which you operate. It is about workplace issues, your effect on the marketplace, your advertising and how you sell your products, what products are being developed and their effects. Companies realize that the responsibility cannot be given to one department or a foundation. It has to permeate the business as a whole. Additionally, the author believes that companies have to realize that there are real business benefits to be gained from being responsible. Just as technology cannot be seen as an add-on to the business but must be seen as an integral part of the way business undertakes its activities, so too corporate responsibility cannot be seen as an add-on. Most South Africa companies have been involved in corporate social responsibility for many years. The challenge now is to combine these CSR skills and expertise with the business itself. It is a case of bringing business and the community together. The author concludes that corporate responsibility and ultimately responsible competitiveness is about basic business principles and how organizations think about the future, about risk opportunities, and about how these risk opportunities are accounted for.

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Kates, R. W. (2002). Leadership at summit's end. *Environment, 44*(8), 67–70.

This article is an editorial on the Johannesburg Summit. The author reflects on the summit and sees it as a circus with three concentric rings. The first ring features governments, 104 heads of state who made up the summit discussing political declarations and an action plan.

The second ring, along with governments, contains representatives of the nine major groups identified a decade ago in the Rio Declaration on Environment and Development—business and industry, children and youth, farmers, indigenous people, local authorities, nongovernmental organizations (NGOs), scientific and technological communities, women, and workers and trade unions. These nine groups entered into partnerships to take concrete action on issues ranging from local to global.

The third ring spreads over four distant venues and features side events, forums, exhibits, protests, and seminars. Partnerships seem to be a promising vehicle for moving from debate to action. More promising are the unofficial partnerships that are place-based, functioning, and organized by local authorities, NGOs, and businesses.

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Kennedy, C. (2007). The great and the good. *Director, 61*(3), 102–106.

The author examines how the definition of *good* has changed over time. She begins her article by stating that most of the world's outstanding business leaders learned the elements of their success from others, and proceeds to discuss changing trends in people management during the twentieth century. She discusses a "good" leadership model that was popular around 1969, based on the Quaker principles of strong social conscience and business skills as well as quality, which included people and relationships. The Quaker communal self-help approach is contrasted with and replaced by management consultants and gurus from the newly established business schools. The author questions whether this billion-dollar advisory industry actually helped to produce good directors. Prior to this period, the scientific management approach of the early and mid-twentieth century began to transition to "treating employees as individuals with aspirations" in the 1960s. The author also references John Speedan Lewis's vision that employees could be better motivated by being made partners in the business, a vision that Sir Stewart Hampton (chairman of the Lewis company) followed for a number of years, stating, "I am convinced that it is the secret of sustainable success." In the 1970s Rosa Moss Kanter, the world's leading female management guru, demonstrated the wasted capital that corporations inflicted on themselves by not promoting female talent. She also introduced the concept of empowerment. Now companies are much more bound to the whole agenda of responsibility to the community, accelerated by climate change and a race to be greener than the next business. The article concludes with the author stating that the big change in management thinking over the past 20 years has been from process to people, and while the basic purpose of a company remains the creation of wealth, social conscience is increasingly seen as compatible and complementary to it.

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Kerr, I. R. (2006). Leadership strategies for sustainable SME operation. *Business Strategy and the Environment, 15*(1), 30–39.

The author describes the necessary elements and core competencies that a company needs to develop an environmental policy. The following elements are needed:

- Direction for company decisions
- Strategies to implement them
- Communication with stakeholders
- Management of resources
- Research and development
- Integration of basic management systems
- Collaboration with stakeholders
- Protective technology for the environment
- Adoption of basic environmental accounting
- Environmental education and training for employees

- Cooperation with industry associations and environmental protection authorities, forming regional and industry alliances
- Internal cultural pressure for sustainability

Environmental leadership must be based on the philosophy of the continuous improvement of the environmental policy and strategy development to reduce environmental impacts. Environmental reporting can be a tool for marketing a green reputation.

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Kotler, P., & Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause.* Hoboken, NJ: John Wiley & Sons.

This book identifies six major initiatives under which most social responsibility–related activities fall. The six social initiatives explored are as follows:

- Cause promotion
- Cause-related marketing
- Corporate social marketing
- Corporate philanthropy
- Community volunteering
- Socially responsible business practices

Case studies are presented to illustrate these distinctions. Additionally, 25 best practices, assembled to guide decision making in the area of CSR, are presented. The book is intended to help maximize the impact on corporate investments to do the most social, environmental, and economic good. A theoretical perspective is presented along with personal accounts of companies. The book contains proven recommendations and real-world advice on social initiatives. Socially responsible companies such as Ben & Jerry's, IBM, Washington Mutual, Johnson & Johnson, Microsoft, The Body Shop, Hewlett-Packard, and American Express are featured. The final chapter of the book presents ten recommended strategies for success. It is written for executives, administrators, and program managers of NGOs and public-sector agencies who are seeking contributions from corporations for developing and implementing initiatives intended to support a social cause.

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Lawler, E. E., & Finegold, D. L. (2005, January 1). The changing face of corporate boards. *MIT Sloan Management Review,* pp. 67–70.

This article is an examination of the reforms in corporate board leadership, membership, and performance evaluation. Corporate boards in the United States have been under increasing pressure brought on by high-profile scandals, investor dissatisfaction with performance, and concerns about executive compensation. Regulators have introduced significant reform in the rules governing boards. The United States Congress passed the Sarbanes-Oxley Act of 2002, which mandates that only independent directors can serve on the audit committee. The act also increases the requirements for financial disclosure of directors, as well as others in charge. The New York Stock Exchange and NASDAQ adopted new listings requirements implementing stricter rules for board independence and mandating regular executive sessions in which only outside directors meet. Recently, the United States Securities and Exchange Commission has proposed new reform that would make it easier for disgruntled outside shareholders to nominate their own slate of officers. To investigate the impact of recent changes in boards, a study was conducted that compared the board practices and the effectiveness of Fortune 1000 companies in 1998 versus 2003. Three areas were examined: board leadership; the conditions governing board membership; and the performance evaluations of boards, individual board members, and CEOs. The evidence suggests that corporations in the United States are changing in the right way.

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Lewicka-Stralecka, A. (2006). Opportunities and limitations of CSR in the post-communist countries: Polish case. *Corporate Governance, 6*(4), 440–448.

The purpose of this paper is to identify the opportunities and limitations of CSR in the so-called countries of transformation, or Central and Eastern European countries, particularly focusing on Poland and drawing from previous cumulative knowledge as well as the results of various sociological research. Nine factors are discussed:

- the business image
- the legal background
- the job market situation
- the corruption and the correlates of economic stagnation and social decline

- the socialist associations and the CSR rhetoric
- the blurred boundaries of CSR
- the underdevelopment of the civic society
- the economic reality and ethical standards
- the attempts at self-regulation of business

A big emphasis through the paper is posed on cooperation between business representatives and stakeholders at any level. Following are the obstacles that have been clearly identified:

- negative image of business
- dysfunctional legal background
- corruption
- weakness of the III sector
- difficulty of the economic situation of many companies
- lack of ethics and ethical standards
- difficult situation in the job market

The implementation is nevertheless bound to be a lengthy process requiring involvement, effort, and determination from authorities, as well as from business and business leaders and nongovernmental organizations. Although there are some serious limitations, there are also circumstances that allow implementing CSR in a practical way in the economy, and there are positive examples of such practices. CSR is promoted in Poland mainly by foreign companies with a local branch, through informational and educational actions, and through programs that involve business in actions for society and the natural environment that are locally implemented and are overcoming regional obstacles. And this is particularly true for foreign partners from within the European Union.

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Li, J., Lam, K., Qian, G., & Fang, Y. (2006). The effects of institutional ownership on corporate governance and performance: An empirical assessment in Hong Kong. *Management International Review, 44,* 259–276.

This article analyzes how the institutional ownership of firms affects their corporate governance and performance. It examines 433 publicly listed companies in Hong Kong. The results indicate that institutional ownership exerts a direct and significant influence on corporate governance in areas such as board composition, CEO duality, leadership diversity, and ownership concentration. The results also show that institutional ownership has only an indirect effect on firm performance, such as corporate profitability. The sample for testing the hypotheses was comprised of publicly traded corporations that were listed on the Hong Kong Stock Exchange. Data were selected from the firms from the period 1996 to 1998 to allow a better test of the effects of CEO duality and board composition. Several constructs were tested as single-term measures because there were no latent variables. Data were obtained from the Datastream database of 1999. The authors adopted a two-stage structural equation or a partial least-square (PLS) approach to test their hypotheses. Six out of nine hypotheses were supported. The controlled variables have no significant effects on the ratio of compensation to profit. None of the independent or controlled variables has any significant effect on the short-term profitability of firms.

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Lopez, M., Garcia, A., & Rodriguez, L. (2007). Sustainable development and corporate performance: A study based on the Dow Jones Sustainability Index. *Journal of Business Ethics, 75,* 285–300.

This article examines whether business performance is affected by the adoption of practices included under corporate social responsibility. In the study the authors examine two groups of 55 companies. The study uses a total sample of 110 firms from the period of 1998 to 2004 and analyzes the relevant accounting indicators. Accounting information published by sample firms (Gray et al., 1995) was compiled. The relation between CSR and certain accounting indicators was analyzed. The authors examine whether there exist significant differences in performance indicators between European firms that had adopted CSR and others that had not. In conclusion, they found that the link between the performance indicator and CSR is negative. This affirms that the effect of the sustainability practices on performance indicators is negative during the first year in which they are applied. A long-term view is necessary for a company to implement new policies in the budget.

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Lorsch, J., & Lipton, M. (1993). On the leading edge: The lead director. *Harvard Business Review, 71*(1), 79–80.

This article examines the concept of a lead outside director to improve corporate governance. In more than 70 percent of the major British public companies, the chairman of the board is not the chief executive officer. The British have a nonexecutive outside director as the chairperson. In the United States the opposite approach prevails. Less than 20 percent of U.S. companies have a separate chairperson and CEO. The vast majority of U.S. chief executives are opposed to separating the two roles based on the following beliefs:

- It would dilute their power to provide effective leadership of their company.
- It creates the potential for rivalry between the chairperson and the CEO, leading to compromise rather than decisiveness.
- The chairperson may be overly protective of the CEO and shield the CEO from being held accountable by the board for poor performance.
- Having two public spokespersons leads to confusion and the opportunity for third parties to take advantage of the division.

This article recommends that companies without a nonexecutive chairperson designate one of the outside directors as the lead director. The lead director would have neither a corporate title nor any office at the corporate headquarters. The lead director would be consulted by the chairperson-CEO on the following:

- The selection of board committee members and chairs
- The board meeting agendas
- The format and adequacy of the information the director receives
- The effectiveness of the board meeting process

The lead director would also coordinate the annual evaluation of the chairperson-CEO by the outside directors.

In summary, the proposal recognizes that a lead director might attempt to usurp some of the chief executive's functions or become so friendly with the CEO as to be a shield against appropriate evaluation of the CEO's performance or accountability for poor performance.

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Mackey, A., Mackey, T. B., & Barney, J. B. (2007). Corporate social responsibility and firm performance: Investor preferences and corporate strategies. *Academy of Management Review, 32*(3), 817–835.

In this paper, the authors build on the observation that equity holders may sometimes have interests besides simply maximizing their wealth when they make their investment decisions. The authors present a theory that suggests the conditions under which firms will engage in socially responsible activities, even if those activities reduce the present value of a firm's cash flow. Adopting definitions of CSR that focus on voluntary firm actions designed to improve social or environmental conditions and the market (versus accounting) definition of firm performance, the authors develop a simple model of supply and demand for opportunities to invest in socially responsible firms. The market definition of firm performance encompasses ways that socially responsible corporate activities can create or destroy shareholder wealth. It also encompasses the assumption that the United States capital markets are semistrong and efficient (Fama, 1970).

The model seeks to determine whether socially responsible investing will improve, reduce, or have no impact on a firm's market value. The findings reveal that if the demand for socially responsible investment opportunities is greater than the supply, then economic value will be created, and thus, managers in publicly traded firms might fund socially responsible activities that do not maximize the present value of the firm's cash flow. However, the authors caution that if supply exceeds demand, the opposite impact on firm value may occur.

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Malini, M. (2006). Corporate social responsibility in emerging economies. *Journal of Corporate Citizenship, 24*, 20–22.

The author reflects on the adoption of CSR in emerging economies and on some milestones that have been already placed. The first argument raised is that a smart approach, considering universal norms and values, is needed to lead the transformative potential of CSR as a movement. This approach would also control and avoid the environmental and social consequences of rapid growth. Furthermore, it is necessary to have energetic national corporate leadership along with solid homegrown constituencies demanding higher corporate standards. Social and political contests are then the fundamental part of the journey of negotiating the balance between society, state, and market.

Thoughts for companies who embrace CSR:

- Stay critical.
- Do not believe the hype.
- Recognize the success but retain perspective and a critical mind.
- Demand accountability from the top.
- Seek consistency: design mechanisms to ensure consistency between different departmental aims and objectives.

- Own and share CSR as a living practice and culture.
- Focus on the local: find practical local expression to stand a chance of implementing global norms and standards.

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Marshall, J. (2007). The gendering of leadership in corporate social responsibility. *Journal of Organizational Change Management, 20*(2), 165–181.

The author discusses the gender differences in CSR leadership, exploring whose voices are becoming dominant, what forms of leadership men and women take, and how women are change agents and exercise symbolic power to shape discourses and practices of ecological sustainability and matters of social justice. White male voices are currently dominating CSR, though these leaders are unusual people, radical and daring. Women are more likely to be represented on the field of philanthropic giving because women's potential to influence discourses is limited. These male figures are "tempered radicals," using their status and masculinity to critique business practices and advocate change. They are open to criticism, to perceptions of hypocrisy, and to feelings of isolation. The women figures in CSR leadership are often invited to speak but are not insiders; they are labeled as "activist." They are speakers, orators. They are from "elsewhere" (e.g., the voice from the developing world). They choose the margin as a space for radical openness. Their messages are raw and confronting, and they are unmoderated radicals. They are questioning the foundations of business and society. Men operate in the mainstream, while women operate at the margins. Women and men leaders are differently placed in the world of CSR, but both affect the context of the debate. CSR favors masculinity, but the work of women at the margins is also crucial.

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Martin, R. L. (2003). The virtue matrix: Calculating the return on corporate responsibility. In *Harvard Business Review on corporate social responsibility* (pp. 65–82). Boston: Harvard Business School Press.

The author posits that corporate responsibility should be viewed as a product or service that is subject to market pressures and introduces a "virtue matrix" tool to assist executives in analyzing corporate responsibility. Several examples of the complex and conflicting issues and constituents, as well as a discussion of drivers of corporate virtue, provide a view of the atmosphere in which executives must navigate when considering implementation of—

sometimes very costly—CSR initiatives. Using the four-quadrant construct, the author identifies the top two quadrants as "frontier," segmented by strategic and structural components, and the bottom two as the civil foundation, segregated by choice and compliance. The author also discusses barriers to increasing the supply of corporate virtue and what can be done to address them.

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McBeth, A. (2004). A look at corporate code of conduct legislation. *Common Law World Review, 33,* 222–254.

A perception that multinational corporations (MNCs) engage in socially exploitative behavior in their overseas activities that they would never think of participating in at home has driven a global movement toward legislation introduced to enforce standards of practice for these organizations in a global economy. This author, a lecturer in law at Deakin University, Melbourne, Australia, compares and analyzes three bills in the United States (Bill HR 4596, introduced into the U.S. House of Representatives June 2000), Australia (Corporate Code of Conduct Bill 2000, introduced into the Australian Senate September 2000), and the United Kingdom (Bill Number 129 of 2003, introduced in the British House of Commons in 2003). The author points out problems with and inconsistencies between the three bills and makes recommendations to improve them. Highlighting differences in terms of corporate groupings, threshold of company size, areas for compliance, interpretation of key issues such as the living wage, reporting requirements, and enforcement components, the author concludes that more commonality among the bills would have been more desirable. The United Nations norms were cited as possibly the best source to which they all should align, since the norms create a stronger linkage to international law and would also eliminate many problems with the current bills as proposed.

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McGaw, N. (2005). Developing leaders for a sustainable global society. *Strategic HR Review, 4*(6), 32–35.

The author formulates two questions: What kind of leader is needed for building a sustainable global society? How do we develop individuals with these capabilities? The "new model" leaders possess the following attributes:

- Self-knowledge and mindfulness, consciousness, awareness, and presence. The new model leaders can think holistically about themselves, and not only exist as business executives but identify themselves with other roles too: parent, citizen, and neighbor. While making decisions, leaders consider if the action will leave a positive footprint on communities and the physical environment.

- Communication skills. Leaders are capable of active listening, knowing when to speak and when to listen.
- Leaders are ready to use values-based decision making, since values are lived through routine decisions of employees at every level. Leaders develop a decision-making process in the context of choices and consequences, considering known and unknown costs and benefits.
- Leaders understand the reality of the choice. They think in decades, not in quarters, and realize that further options for action offer long-term benefits.

For building a sustainable global society, there is a need for new content and questions. The leadership for a sustainable society is more about asking questions than finding answers, about asking questions such as the following: What is the purpose of the enterprise? How can we engage the passions of the employees? How do we measure success? What allows us at work to say that our life has a meaning? There is a central role of cross-sector dialogue between academics and practitioners; between different disciplines or functional areas; between different generations; between business, NGOs, and government. Experiential learning is an efficient tool for developing leaders, since it provides a framework for individuals to uncover their own values and understand others' point of view. The task, while developing leaders for a sustainable global society, is to encourage imagination and the belief that they will be able to make the positive changes.

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Meyerson, D. E. (2001, October 1). Radical change, the quiet way. *Harvard Business Review,* 93–100.

The article discusses the two ways organizations primarily change: drastic action and evolutionary adaptation. Evolutionary change, in contrast with drastic action, is gentle and decentralized, and over time it produces a broad and lasting shift. The article introduces the five techniques with which a company can reach its aims in an evolutionary way: disruptive self-expression, verbal jujitsu, variable-term opportunism, tempered radicalism, and strategic alliance building.

- Disruptive self-expression means that the individual acts in a way that feels personally right and in a way that gets others' attention. This is the most inconspicuous way to initiate change. It can appear in language, dress, office decoration, or behavior, and it can slowly change the atmosphere at work.
- Employees who practice verbal jujitsu react to undesirable statements or actions by turning them into opportunities for noticeable change.
- Variable-term opportunists spot, create, and capitalize on short- and long-term opportunities for change.
- Tempered radicals must be creatively open to opportunity and proactive in the long term.
- With the help of strategic alliances, the leader can push through change with more force, with a sense of legitimacy; can gain access to resources and contacts; and can receive technical and task assistance, emotional support, and advice. Furthermore, strategic alliances give the power to move issues to the forefront more quickly and directly.

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Mileham, P. (1995). Corporate leadership: How well do nonexecutives influence boards? *Journal of General Management, 21*(2), 1–20.

This article questions the need for more training of company directors and the market demand for them. In particular, United Kingdom nonexecutive directors have been surveyed with regard to how they feel about their role, strategic leadership, their influence, and their relationship with the boardroom team, and so on. Among the other results, what emerges as particularly relevant for us from this study is mostly related to corporate governance with respect to nonexecutive directors. Business ethics in competition with profit/profitability are widely recognized and are raising conflicts between external/internal as well as short- and long-term interests. Twelve percent of the sample places business ethics and codes of best practices at the highest level. Thirty-three percent give the nonexecutive directors responsibility to lead the boardroom for this if necessary. Fifty percent place equal responsibility between nonexecutive and executive directors. The last depended on the view that ethical issues are usually complex and not a matter of straightforward interpretation. In conclusion, the debate on corporate governance and organizational leadership is extremely active and healthy, and nonexecutive directors are seen as adding significant value to the collective leadership of the company.

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Mirvis, P., & Googins, B. K. (2006). *Stages of corporate citizenship: A developmental framework* [Monograph]. Chestnut Hill, MA: The Boston College Center for Corporate Citizenship.

To assist business executives in meeting the demands of their numerous stakeholders, the authors introduce a framework that identifies five stages of civic engagement that many companies experience as they move toward the triple bottom line. The stages—elementary, engaged, innovative, integrated, and transforming—are based on six dimensions—citizenship concept, strategic intent leadership, structure, issues management, stakeholder relationships, and transparency. And while the stages reflect those of the average company, the authors discuss a number of factors, providing examples that may influence progression from one stage to another. The factors include founding purpose and time (Ben & Jerry's), external forces (NGOs and laws), strategy and competition (IBM/HP/Microsoft), traditions and culture (Johnson & Johnson), leadership matters (Unilever), and pull versus push (scandals, crises). In fact, it was stated that some stages may be skipped altogether as companies move toward the transforming stage of corporate citizenship.

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Morsing, M., Schultz, M., & Nielsen, K. U. (2008). The 'Catch 22' of communicating CSR: Findings from a Danish study. *Journal of Marketing Communications, 14*(2), 97–111.

The starting point of this study is the challenge between the need to be perceived as socially responsible across stakeholders and the difficulty of communication in corporate CSR-related matters. The cultural paradox in communication of CSR is that while the general population has a high regard for those companies associated with social responsibility, companies are being encouraged either not to communicate about their CSR or to communicate in a less conspicuous way. Based on empirical data, an "inside-out" approach is suggested as a method for companies to motivate organizational support for corporate CSR communication. The inside-out approach to CSR activities means that initially employees are the key stakeholders of concern for these activities; this in turn will increase the likelihood of employees' commitment and they will organizationally support the corporate CSR agenda. In particular, a CSR communication model proposing two different communication processes is proposed—the expert and the endorsed communication processes. The model targets internal as well as external stakeholders with corporate CSR messages. The conclusion of the empirical testing of the model is twofold: first of all, analysis is called for on how employees are integrated into the CSR communication process; secondly, there is the need for a better understanding of how the corporate communication process differs in implicit and explicit CSR approaches.

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Nan, X., & Heo, K. (2007). Consumer responses to corporate social responsibility (CSR) initiatives. *American Academy of Advertising, 36*(2), 63–74.

The study presented in this article seeks to demonstrate, through a controlled experiment, that an ad with an embedded cause-related marketing (CRM) message, compared to a similar one without, generates more favorable consumer attitudes toward the company. Two prominent questions in this study were "Do consumers generally think of and react to this form of marketing tactic favorably?" and "What are the relative effects of different types of CRM?" Two hypotheses involving exposure to an advertising message with a CRM component (versus one without) were examined:

1. Involving high brand/cause fit
2. Involving low brand/cause fit, as related to:
    - The ad
    - The brand
    - The company

Also, a third hypothesis examined two brands both engaged in CRM, positing that the one with a high level of fit with the social cause should be viewed more favorably than the one that has a low level of fit. Generally, the results reflected that ads with CRM messages do elicit more favorable consumer responses, primarily toward the company as opposed to the brand, when compared to those without CRM messages. In addition, it was revealed that the relative effects of different types of CRM showed no systematic effects of brand/cause fit on consumer responses.

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Nelson, M. C. (2004). Learning the art of leading people. *Global Agenda, 2*, 130–131.

The author discusses corporate leadership in today's world as a matter of responsibility and personal engagement, as well as collaboration and community. Effective leadership requires a more integrated approach than ever in the information-rich, instantaneous society, with the central role of integrated leadership responsible to all stakeholders. Integrative leadership requires collaboration on many fronts: business, public policy, and philanthropy.

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Oskamp, S., & Schultz, P. W. (2006). Using psychological science to achieve ecological sustainability. In S. I. Donaldson, D. E. Berger, & K. Pezdek (Eds.), *Applied psychology: New frontiers and rewarding careers.* London: Psychology Press.

In this book's chapter the authors focus on psychological contributions that can help to support ecological sustainability and advance the world toward sustainable patterns of human behavior at the individual, organizational, and national level. Four different approaches are described: behavior analysis, social dilemmas, cognitive dissonance, and planned behavior. Even though these are not usually thought of as being necessary for sustainability, very clear and replicable examples are offered to show the impact that they have on the enactment of environmental as well as socially responsible leadership.

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Paine, L. S. (1994). Managing for organizational integrity. *Harvard Business Review, 72*(2), 106–117.

Not directly talking about CSR but more focused on ethical behavior in corporations, this article in fact touches two fundamental aspects of sustainable business: ethical organizational leadership and the development of sound values. The author first introduces the role of managers in ethical behavior. Managers are called to provide proper leadership in shaping organizational ethics and to seize this opportunity to create a climate strengthening the relationships and reputation on which companies' success depends. They are called to foster a climate that encourages exemplary behavior, using a comprehensive approach that goes above and beyond the legal compliance stance and to adopt an integrity-based approach. This approach combines a concern for the legal requirements with an emphasis on managerial responsibility for ethical behavior and the definition of companies' guiding values, aspirations, and patterns of thought and conduct. Ethical leadership is created through active leadership pointed toward ethical practices and goal setting, and by attention to and responsible behavior toward the internal as well the external stakeholders. A company's ethical behavior is not a leader's job but an organizational leadership call and the reflection of an organization's culture, a shared set of values and guiding principles deeply ingrained throughout the organization.

The foundations described are the following:

- Establishment of compliance standards and procedures
- Allocation of high-level personnel to oversee compliance
- Effective communication of company standards and procedures through training or publications
- Reasonable steps to achieve compliance through audits, monitoring processes, and a system for employees to report misconduct; and so on.

In summary, organizational integrity is based on an organization's guiding values—an environment that supports ethically sound behavior and instills a sense of shared accountability among employees. An integrity strategy is broad (it seeks to enable responsible conduct), deep (it cuts to the ethos and operating systems of the organization and its members, their guiding values and patterns of thought and action), and demanding (it requires an active effort to define the responsibilities and aspirations that constitute an ethical company). Organizational ethics is the task of leadership. The corporate counsel designs and implements integrity strategies, and managers at all levels and across functions are involved in the process. Examples are reported from real organizations and the challenges they encountered.

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Paine, L. S. (2003). *Value shift.* New York: McGraw-Hill.

Using the subtitle *Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*, the author reviews changes in business in the past few decades, which include technology, increased globalization, heightened competition, and shifting demographics and values. The author indicates that since the 2001–2002 timeframe, ethics is an important corporate concern. She states that "values are a critical success factor in today's business world." Further, corporate values are shifting because of reasons related to the following:

- Risk management—preventing missteps
- Organizational functioning—a positive effort to build a well-functioning company
- Market positioning—shaping company's identity and reputation; building brands; earning trust of customers, suppliers, and others

- Civic positioning—improved standing in the community
- A better way—for companies to be honest, trustworthy, innovative, fair, responsible, and good citizens—better in and of itself

Factors that play a role in the shifting values include company size; developmental stage; and societal factors, such as laws and media, in the United States. The shifting values in emerging markets encompass other complexities. The author argues that the new yardstick for corporations is more complex, and that to excel under new standards, companies must turn in super financial results, as well as demonstrate moral intelligence in their dealings with their employees, customers, and other constituencies. The author believes that this has had profound implications on how companies are managed and led. She states that as the financial benefits of safety, quality, environment, and other social interests become more appreciated, conflicts between shareholders and stakeholders decrease. Also discussed was a shift from "ethics costs" to "ethics pays," with companies becoming more center-driven by balancing ethics and economics. Accordingly, key attributes define a company's essential character. The turn to values reflects an evolution in what has sometimes been called the personality of the corporation. Finally, the superior performers of the future will be those that can satisfy both the social and the financial expectations of their constituencies.

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Poovan, N., Du Toit, M. K., & Engelbrecht, A. S. (2006). The effect of the social values of Ubuntu on team effectiveness. *South African Journal of Business Management, 37*(3), 17–27.

This research study explores the concept of value-based leadership as a driver for implementing social values in a specific workforce in Africa. A grounded theory approach is used and a conceptual model is developed to explain how the social values can have an impact on effectiveness. The primary goals of the study are to facilitate a better integration and understanding of a multicultural workforce and to make a positive contribution toward successful management of diversity, one of the foundations of the social side of corporate responsibility. The study reveals that African values place high emphasis upon collectivism, collaboration, caring, dignity, and respect. The conclusion drawn is that these values should underlie a value-based leadership style to enhance team performance in modern organizations.

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Porter, M. E., & Kramer, M. R. (2003). The competitive advantage of corporate philanthropy. In *Harvard Business Review on corporate social responsibility* (pp. 27–64). Boston: Harvard Business School Press.

These authors describe a whole new approach to corporate philanthropy, one in which donors abandon their focus on the public relations benefit of giving in favor of adopting a strategic approach that creates social impact and economic value. This can be achieved by shifting the focus to improving their competitive context (i.e., the quality of the business environment in the locations where they operate), which would not only bring social and economic goals into alignment but would also improve long-term business prospects and enable companies to leverage their capabilities and relationships. Citing the networking giant Cisco Systems as a model for this new approach, the authors identify four interrelated elements of a company's competitive context as factor conditions: demand conditions, context for strategy, rivalry, and related and supporting industries. A rigorous transition to implement this new approach must be CEO led and should include an examination of all important geographic operating locations for competitive context, a review and assessment of current philanthropic policies for value creation, an analysis of opportunities for collaboration, and a mechanism for tracking and evaluating results.

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Prahalad, C. K., & Hammond, A. (2003). Serving the world's poor, profitably. In *Harvard Business Review on corporate social responsibility* (pp. 1–26). Boston: Harvard Business School Press.

Misconceptions and inaccurate assumptions exist about business opportunities and profitability at the bottom of the economic pyramid. While incomes average only US $2,000 per year, there are four billion people in this sector. Thus, these authors argue, when multinational corporations (MNCs) provide basic goods and services that reduce costs to the poor and help improve their standard of living (while generating an acceptable return on investment) the results benefit everyone. Further, by serving the poor, business can gain new sources of rapid revenue growth, greater efficiencies with cost reduction initiatives for the MNC, which also translate to increased purchasing power for the local consumers, as well as access to innovation. Strategies for MNCs to profitably expand their businesses and serve the world's poor are as follows:

- Expand the understanding of managers about the bottom of the pyramid (BOP) markets

- Make structural changes within companies
- Create venture groups and internal investment funds
- Establish business development task forces
- Reach out to external partners (entrepreneurs, NGOs, community groups, and so on)

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Prilleltensky, I. (2000). Value-based leadership in organizations: Balancing values, interests, and power among citizens, workers, and leaders. *Ethics and Behavior, 10*(2), 139–158.

The article discusses ethical leadership in the light of some contradictions (e.g., profits and values, interests of owners and workers). It proposes a framework for value-based leadership in sharp contrast with the general thinking of applied ethics as being an individual's responsibility to identify dilemmas and act according to his or her best judgment. The concept of value-based leadership is explained throughout. It is the practice of fostering cogent values, taking into account personal interests and degrees of power. Values are scrutinized for their ability to promote personal, collective, and relational wellness. After the clarification of values and articulation of the mission statement, the leaders' responsibility is to examine subjective, interpersonal, and political processes with regard to the stakeholder groups involved. In their decision-making process, leaders have to understand the dynamic interaction among values, interests, and power in each stakeholder group. The value-based leadership model relies on the assumption that organizations exist to serve a purpose larger than their own existence and as a resource to the community. Clarity of vision and safety of personal interests engage individuals in value-based actions. Therefore leaders should be mindful of the ways in which interests may integrate with value-based practices. The leaders' role is to facilitate—at the individual, organizational, and community level—congruence among values, interests, and power. Four directions are envisaged to enact values-based practices, in consideration of the level of power of the multiple stakeholders involved:

- Clarify the position of the organization with respect to values for personal, collective, and relational wellness.
- Promote a state of affairs in which personal power and self-interests do not undermine wellness or interests of others.
- Enhance a zone of congruence among citizens, workers, and leaders.

- Confront people and groups subverting values or abusing power in the organization or in the community.

The following measures of accountability are proposed:

- Consult with others about limitations and contradictions in values selected.
- Subject personal and organizational process of consciousness raising to scrutiny by other stakeholders.
- Create leadership structures with meaningful input and representation from various stakeholder groups.
- Subject to scrutiny of partners the efforts by the leader to confront people and groups subverting visions and values.

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Pruzan, P., & Miller, W. C. (2006). Spirituality as the basis of responsible leaders and responsible companies. In T. Maak & N. M. Pless (Eds.), *Responsible leadership* (pp. 68–92). Abingdon, Oxon: Routledge.

The authors discuss operationalizing CSR—that is, integrating it into the corporation's vocabulary, policies, stakeholder communications, and reporting systems—but they caution that leaders must understand what responsibility at the individual and organizational level really means. With a thesis that true responsibility, for both leaders and their organizations, is grounded in a perspective that transcends the limitations of economic rationality, the authors provide two examples of responsible leadership and corporate responsibility that have spirituality as a common denominator. Four perspectives (the rational, the humanist, the holistic, and the spiritual) on the question "Why be responsible?" are presented and discussed. The chapter concludes with a discussion on the obstacles to being responsible.

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Reilly, A. H., & Ehlinger, S. (2007). Choosing a values-based leader: An experiential exercise. *Journal of Management Education, 31*(2), 245–262.

This article reports a valuable practical exercise that would help MBA students in understanding the concept of values-based leadership. This exercise is carried throughout the article and can be helpful for a business world in continuous turbulence where corporate leaders have to balance requests, cope with a shifting environment, and meet the demands of their firms as well as their multiple stakeholders. Particular emphasis is placed on the contrasting demands of positive ethical and financial organizational values.

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Relph-Knight, L. (2006). Sustainability is integral to top-level leadership. *Design Week, 21*(18), 6.

This short article discusses the link between leadership and sustainability in the design trade. The changes in the trade demand the reappraisal of the leadership role within the trade, and the conclusion of the author is that leadership comes in many forms but that it is inextricably linked to sustainability. With the assumption that design's job is to enhance life, there is the clear need for more commitment to sustainability's being spurred by business leaders.

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Richards, E. P. (2003). Developing socially responsible business leaders: The Lubrizol experience. *Mid-American Journal of Business, 18*(1), 11–14.

CSR is described in this article in connection with the formalization of the mechanisms for stakeholders' relations, transparency, accountability, and corporate governance, and it is presented as the task of the socially responsible leader. The author reflects on the trust placed upon business leaders worldwide and the law of reciprocity. Global challenges present themselves to business leaders, and being prepared to face them on a global basis with confidence and integrity requires a mix of education and real-world business experience founded in specific skills' cultivation. Companies that develop socially responsible business managers who are consistent with ethical business practices and proactive in the social benefit context ensure companies' results in achieving stakeholder value. The intangible characteristics that are required in socially responsible global leaders can then be summarized in the balance between drive and ambition versus ethical and moral behavior and corporate support. Through the example of Lubrizol Corporation, the author presents the foundations of corporate support toward globally responsible leaders of developing countries. These foundations are based on the implementation of ethics training, which consists of training on environmental policies, health and safety policies, diversity initiatives, foundations and grants, and community involvement. Furthermore, there is a need to recognize and train appropriate employees for leadership in programs that embrace social responsibility.

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Roome, N. J., & Bergin, R. (2006). Sustainable development in an industrial enterprise: The case of Ontario Hydro. *Business Process Management, 12*(6), 696–721.

The concept of sustainable development is analyzed in this case study as a metaproblem, or both an organizational and systems issue. Three assumptions are therefore behind the research:

- The attempt to resolve one problem or dimension of the problem in the set is likely to have implications for other dimensions in the same set.
- The emergence of new paradigms from new fundamentals is followed by a period of intense disagreement between competing bodies.
- The embedding of a new paradigm in an industrial organization involves the creation of new interpretive systems.

Sustainable development is presented as innovation, and the path toward it as a transformational strategy. The study shed light on the contributing factors:

- The relationship between the design of the process of change and the implementation of the change
- The strategy for stakeholders to interpret environmental and social interests in the organizational strategy
- The management of research and development

The results show how the strategy toward sustainable development would require engaging in a complex process of paradigmatic change and learning, in collaboration with many stakeholders, and that trust in the process is crucial. Another central fact learned from the case study is that the processes of innovation are distributed throughout the organization and its system; the processes span all organizational levels and require the involvement of both corporate headquarters as well as operational business units. In conclusion, sustainability as systems change respects none of the conventional boundaries developed by organizations to help them manage their normal, nonsustainable activities. It appears that organizational and social innovation requires the leadership of many individual actors to facilitate the complex process of negotiated transformation.

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Roome, N., & Wijen, F. (2006). Stakeholder power and organizational learning in corporate environmental management. *Organization Studies, 27*(2), 235–263.

This study considers the engagement between stakeholders and companies in the delivery of corporate environmental management as one specific aspect of corporate responsibility. The study is based on detailed comparative case studies of two companies known by external stakeholders for their proactive approach to environmental issues. The research was framed by the idea of corporate environmental management as a form of organizational learning. The cases examined the complex relationship between company ambition, the structure of learning, and the influence of external stakeholders on the processes and outcomes of learning. One company had a high ambition, and generally set standards that were regarded as beyond stakeholder requirements. It was not hampered by its poor learning routines because its engagement with stakeholders provided little material information to help it achieve its ambitions. Individuals at the top of the company determined the ambition and orientation toward stakeholders. The other company had more modest ambitions but deployed a very well developed and controlled process to ensure it was meeting the requirements and demands of key stakeholders. These demands were then processed internally into a set of actionable elements. The strength of the learning process contributed to the success of outcomes but with little influence by powerful or key managers, who were more the guardians of the process than its content.

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Roper, J., & Weymes, E. (2007). Reinstating the collective: A Confucian approach to well-being and social capital development in a globalized economy. *Journal of Corporate Citizenship, 26,* 135–145.

This article examines one alternative to the traditional western model of doing business, an alternative that places human capital and social capital as its core value. The model incorporates the philosophies of both Confucianism and Taoism, as practiced in China. The author presents three parallel phenomena:

- a loss of legitimacy of western business practice that emphasizes individual competition in a market-based society
- an increase in the demand of CSR and a rebuilding of social capital
- the emergence of Chinese multinational corporations which retain the ancient values of Confucianism

The article considers how the East and West can develop hybrid models of business that can build rather than destroy social capital. The author concludes that both eastern and western companies can learn from each other. The new managerial hybrids could embrace the best of both cultures, support a genuine desire for social responsibility and well-being, and be adopted globally.

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Schraa-Liu, T., & Trompenaars, F. (2006). Toward responsible leadership through reconciling dilemmas. In T. Maak & N. M. Pless (Eds.), *Responsible leadership* (pp. 138-154). Abingdon, Oxon: Routledge.

One author obtained her law degree in Shanghai, China, and earned a second degree in business economics and an MBA in the Netherlands. The other author studied economics in Amsterdam and earned a Ph.D. from the Wharton School, University of Pennsylvania. This article examines new facets of leadership required of today's executives. The challenge for today's leaders is to reform effectively in an environment of uncertainty and ambiguity while reconciling the diversity of interests, needs, and demands of multiple stakeholders. This includes the competing and often conflicting demands of clients, suppliers, customers, shareholders, communities, NGOs, and the environment. The internal challenge is to lead an increasingly diverse workforce across distance, businesses, countries, and cultures to select, develop, and retain people from different backgrounds, and to leverage their potential in order to create an inclusive environment.

The authors present and justify the definition of responsible leadership in today's business world. They explain the key dilemmas responsible leaders face in a global multi-stakeholder society and why it is appropriate to present cross-cultural competence as the fundamental construct for responsible leadership. They discuss how to develop responsible leadership characteristics and how to develop the propensity to reconcile with external stakeholders. They also explore the inner path to responsible leadership. Based on extensive research and an examination of leaders across the globe, the authors derived the core proposition that successful leaders in the twenty-first century apply their propensity to reconcile dilemmas to a higher level. The research studies reveal clearly that competence in reconciling dilemmas is the most discriminating feature that differentiates successful and less successful leaders. Leaders increasingly need to manage culture by continuously fine-tuning dilemmas. Some key conflicts leaders are likely to encounter include those between internal organization and external stakeholders, internal organizations and shareholders, and shareholders and external stakeholders. The authors conclude that responsible leaders recognize, respect, and reconcile the multiple demands, interests, needs, and opposites stemming from their intrinsic responsibility toward employees, customers, suppliers, communities, shareholders, the society at large, NGOs, and the environment. Leaders, their organizations, and society improve and prosper not by choosing one end over the other, but by reconciling both ends. Reconciling outer dilemmas starts with the inner world of leaders. It requires self-discipline and self-mastery as well as emotional and ethical abilities that inform behavior.

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Senge, P. M. (2003). Creating desired futures in a global economy. *Reflections, 5*(1), 1–12.

The article is drawn from a presentation on globalization and the interdependence in a global world in which one company's actions, through global business, can have consequences on the other side of the world. Kahane's three types of increasing complexity at the root of organizations' and societies' toughest problems are presented first:

- Dynamic complexity, or cause and effect distant in time and space
- Social complexity, or diverse stakeholders with different agendas and worldviews
- Generative complexity, or the emergent realities wherein a solution from the past no longer fits

Solutions are envisaged in both learning and leadership, and above all, collective creativity with the resulting strategy of discovering the connections that permeate natural and social systems. Missing the connections is a sign of poor systems-thinking skills, but an increasingly interdependent world means that system thinking must become an educational priority. In recent years, thought leaders have started to construct a picture of the interdependency. According to the author, humans have an innate capacity to develop a holistic awareness of the relationships in the world. Business leaders, as well as teachers and other professionals, count on both the wisdom of the past and their own experience to create more inclusive ways of living and working. When, for example, executives in global companies talk candidly, their real concern usually is not the return on investment or sales but the social and political stability of the world in which they live.

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Senge, P. M. (2007, June 22). Waking the sleeping giant: Business as an agent for consumer understanding and responsible choice. *Journal of Corporate Citizenship,* pp. 25–27.

The author presents and discusses three fundamental leadership roles in global organizations in this short article. The author also presents and discusses the impact of the roles on consumer education in global environmental issues. First, business can draw the consumers' attention to the nature of a particular issue and lead by action concerning that issue. Second, business can form partnerships with others to shift market, technology, and regulatory conditions that individual firms cannot alter by themselves. For the third and final proposal, business can work to create alternatives rather than debate about how to change the system.

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Shropshire, C., & Hillman, A. J. (2007). A longitudinal study of significant change in stakeholder management. *Business and Society, 46*(1), 63–67.

This article examines stakeholder management. Recent research shows significant intrafirm variability in stakeholder management across time. This study seeks to explain why firms experience significant changes in stakeholder management. The authors identify antecedents of change at the institutional, organizational, and executive levels. They also posit that organizational risk and performance will affect the likelihood of change, as will managerial discretion, ownership, and succession. The authors test their predictions using a longitudinal sample of stakeholder management data and discuss the implications of the findings for research and practice. The authors conclude that although their findings begin to outline boundary conditions of stakeholder theory, further work in this area will help to direct the breadth and depth of stakeholder management.

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Strike, V., Gao, J., & Bansal, P. (2006). Being good while being bad: Social responsibility and the international diversification of U.S. firms. *Journal of International Business Studies, 37*(6), 850–862.

This paper offers a variety of reviews of the literature and debates on international diversification and social responsibility. It defines social responsibility and disaggregates the concept into its responsible and irresponsible parts.

It also develops—and tests—hypotheses about large U.S. firms' social responsibility and irresponsibility. The empirical study is based on the analysis of time-series cross-sectional data on social responsibility from an original sample of 222 companies drawn from the KLD Index. The KLD Index is a particularly rich source for the evaluation of social performance because it is based on a wide range of data sources, including company surveys, expert panel assessments, and public disclosures. The ratings reflect each firm's worldwide social and environmental performance along 13 categories of CSR strengths or concerns. Results suggest that global and institutional pressures have pushed multinational enterprises (MNEs) toward higher levels of CSR, even though there is a strong argument for MNEs not acting responsibly, and this extends beyond costs. Standards then need to be identified and accepted on a local basis (across host countries). While corporate irresponsibility is affected by reputation and learning, MNEs act irresponsibly because of the difficulties in managing increased complexity that derives from international diversification, that is, coordinating, integrating, and exchanging resources among geographically dispersed subsidiaries with an increase in management challenges. In addition, many of the controls used in this study emerged as significant, such as firm size and R&D intensity. As for the latter, this finding suggests that firms that invest in long-term capabilities such as research and development also invest in CSR. Also, the results showed the food industry to be more socially responsible than the benchmarked manufacturing industry. The main implication of the findings of the empirical study for research is that CSR and irresponsibility both move together with international diversification. Therefore, there is strong support for dividing the concept into its positive and negative components, which are separated yet related constructs. The learning for practitioners is that, with increasing diversification, firms become both more socially responsible and more socially irresponsible.

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Svoboda, S., & Whalen, J. (2005). Using experiential simulation to teach sustainability. *Greener Management International, 48*, 57–65.

The authors describe the benefits of experiential learning; it is discussed as the most effective way to promote positive change in individuals and organizations. The characteristics of experiential learning are the following:

- It is based on actions.
- It gives the chance to receive feedback on the actions and explore the results.

- It helps to change the mental frames that prevent the participants from achieving the results they want.
- It builds links between the learning process and real-world challenges.

An experiential learning exercise runs through this cycle two or more times. It engages the whole person, including his or her mental, emotional, and somatic intelligence. Simulation is good to teach sustainability for the following reasons:

- It raises people's understanding of complex systems.
- It bridges differences in expertise, professional languages, and cultures.
- The participants can learn from each others' backgrounds.
- It is an ideal venue to demonstrate the interconnections between sustainability and profitability, market share, and revenue, demonstrating that they are not separated from each other.
- It provides the opportunity to practice in a consequence-free environment with immediate feedback.

The authors introduce the Transformation Exercise as a simulation tool for experiential learning of sustainability.

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Sweeney, L., & Coughlan, J. (2008). Do different industries report corporate social responsibility differently? An investigation through the lens of stakeholder theory. *Journal of Marketing Communications, 14*(2), 113–124.

The authors investigate how annual reports address the CSR concerns of various groups of stakeholders to determine whether the group's orientation is stakeholder and industry specific. Based on stakeholder theory, significant emphasis is given to stakeholder attributes and characteristics, including power, legitimacy, and urgency, as well as to primary and secondary stakeholder categorizations. A content analysis approach was utilized to examine annual reports of 30 large public global companies, by industry, for CSR messaging. The analysis identified strong similarities in the targeting of CSR communications in the annual reports and intra-industries, and even though some companies have separate CSR reports, the information was always summarized in the annual reports. The research also points out a lack of clear focus on the benefits of CSR for the shareholder as a specific stakeholder, as only one of the seven industries in the study places any focus on them. Finally, included among the implications is the following guidance to marketing communications specialists: (1) the annual report should try to appeal to as many stakeholders as possible, given the industry within which the firm operates, (2) it would be beneficial to be familiar with literature on social reporting from an accounting perspective in order to understand rules established by different international bodies in the area, and (3) be aware that annual reports have numerous audiences, not just shareholders.

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Tangpong, C., & Pesek, J. G. (2007). Shareholder value ideology, reciprocity and decision making in moral dilemmas. *Journal of Managerial Issues, 19*(3), 379–396.

The article focuses on the recent large-scale corporate scandals that turned business ethics and corporate moral responsibility into major concerns for managers, business schools, and the general public. Results from the 2004 Harris-Fombrun Reputation Quotient survey listed worst reputations from the most visible companies. The fraudulent and deceptive practices of these and other corporations have researchers seeking answers to the question of "What influences managers' decisions in moral and ethical dilemmas?" The article presents background information on the ethical decision-making literature and how it evolved around two major themes: (1) ethical perceptions and attitudes and (2) social responsibilities of business. The authors present an experimental design as the research method to test the proposed hypotheses and used vignettes as the research instrument. The study contributed to the business ethics and ethical decision-making literature in three major ways:

- It empirically investigates the effects of the ideology of shareholder value.
- It highlights the potential problems of social desirability bias in business ethics studies that are typically based on attitude surveys.
- It proposes an experimental design as an alternative research method to mitigate problems.

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Tebo, P. V. (2005). Building business value through sustainable growth. *Research Technology Management, 48*(5), 28–32.

The author describes sustainable growth as a growth that creates economic and societal values while reducing overall environmental impact. He introduces the process through the example of DuPont. Sustainable growth requires innovation and technology. It is difficult to achieve for the following reasons:

- The time scale of sustainable growth does not fit within the business framework of quarterly earnings requirements.
- No one in business has ownership for vast parts of our environment.
- It does not require transformational change but the continuous improvement of the existing systems and processes.
- These issues are handled as problems by CSR persons and not as opportunities for innovation and growth by marketing and business people.

Sustainable growth must meet public expectations and not only the requirements by the law.

The author describes the following four elements of commitment: (1) reducing the environmental footprint; (2) engaging diverse thought leaders to help guide the development and commercialization of the new technologies; (3) transforming the company through a long-term commitment; and (4) reaching people—not just in developed economies—with products and services helping them to live better, safer, and healthier lives.

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Turner, M. (2007). Society must be protected: Polanyi's "double movement" and the regulation of conflict goods. *Journal of Corporate Citizenship, 26*, 85–99.

The author presents concerns that reference the multiple ways in which multinational corporations, financial and commodity markets, and global trade feed into today's civil wars. These civil wars have recently become a key policy concern of the international community. A number of initiatives have been launched over the past five years aimed at controlling the trade in conflict goods, ensuring good resource governance, advocating CSR, and promoting conflict-sensitive business practices. In the article, the initiatives are assessed through the lens of Karl Polanyi's concept of double movement, that capitalism automatically provokes protectionist impulses. The article is divided into four parts. The first part summarizes Polanyi's thesis as expounded in *The Great Transformation*. The second part briefly looks at how conflict entrepreneurs have benefited from the spaces created for illicit economic activity by neoliberal globalization and the potential links between economy and conflict.

The third part outlines the number of ways in which conflict triggers can be addressed, and it reviews a number of initiatives aimed at promoting sensitive business practices and regulating the trade in conflict goods. The fourth part assesses these initiatives in the light of Polanyi's thesis. Capital market liberalization has also created a favorable climate for corruption and tax evasion by making it easier for individuals and businesses to shift their wealth and profits to unregulated offshore businesses and trusts, tax havens, and secret bank accounts. The article includes a breakdown of five modalities through which natural resources are linked to conflict. In conclusion, initiatives are part of a growing policy agenda designed to promote ethical markets.

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Utting, P. (2005). Corporate responsibility and the movement of business. *Development in Practice, 14*(3&4), 375–388.

Serving as Deputy Director of the United Nations Research Institute for Social Development, the author examines the reasons for civil society mobilization on CSR issues, the types of organizations involved, and their different forms of activism and relations with business. The author then proceeds to identify the ways in which business is engaging with and shaping the CSR agenda, and why it has become a proactive player. Finally, the author considers how this agenda may evolve on the basis of recent developments in CSR activism and regulation. This analysis supports the author's argument that the CSR agenda can deal with some of the worst symptoms of underdevelopment, such as poor working conditions, pollution, and poor factory-community relations, but that it does not deal with the key political and economic mechanisms through which transnational companies (TNCs) undermine the development prospects of poor countries. The author states that the future of the dual CSR movements (civil society organizations versus business) will depend on the degree of convergence and coregulation between the sectors. It will depend as well on new forms of activism centered on "corporate accountability," while issuing cautions regarding biases toward business in these multi-stakeholder initiatives. Referencing Newell (2001) and Bendell (2004), the author points out that unlike CSR, which emphasizes moral compulsion, corporate accountability suggests that TNCs have to answer to their stakeholders and be held to account through some element of punishment or sanction. These changes will lead to a new approach to CSR, one that is focused more on attention to complaints procedures, or complaints-based systems of regulation that facilitate the task of identifying, investigating, publicizing, and seeking redress for specific instances of corporate malpractice as a complement to regulatory systems.

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van de Loo, E. (2006). Responsible leadership at ABN AMRO Real. In T. Maak & N. M. Pless (Eds.), *Responsible leadership* (pp. 68–92), Abingdon, Oxon: Routledge.

The author used the case study method to develop the story of how Fabio Barbosa, CEO of the Brazilian subsidiary of ABN AMRO Bank, implemented responsible leadership within his organization. Indicating that social responsibility is a stance that is part of everything that an organization does, Barbosa's values and beliefs encompassed sustainability, a relentless focus on clients, and corporate and environmental responsibility. These values were operationalized in a number of ways including civic engagement, as employees volunteered to help improve local school infrastructures and the bank's diversity program. Ingredients for the Barbosa approach to inspiring and mobilizing people and organizations were identification and personal articulation of values and convictions, continuous conversation with people around him about these values and beliefs, significant time engaging with others both inside and outside the organization, transparency, involvement of all stakeholders, and the creation of a business model integrating the interests of all stakeholders. The final part of the article chronicles the three phases of development of Fabio Barbosa's leadership skills. They began with his father and grandfather in the areas of respect, paying on time, and being on time. His schooling and work experiences in Brazil; Switzerland; Stamford, Connecticut (USA); and Japan developed his ability to adapt his style and language to the specific contexts that he encountered. The second phase found him moving beyond the boundaries of his own career and self-interest to returning to Brazil to make a contribution to his home country. He supplemented his work at Citibank teaching finance at a local university, where he identified the need to incorporate ethics and question the what and why of financial expertise and products. The third phase started when he assumed the CEO role at ABN AMRO Real. Upon discovering that his own thinking and opinions resonated strongly with others and that he had a gift of relating to people, Barbosa began to share his message with others. He was also encouraged by observing and conversing with his peers.

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Van Kleef, J. A. G., & Roome, N. (2007). Developing capabilities and competence for sustainable business management as innovation: A research agenda. *Journal of Cleaner Production, 15*, 38–51.

This conceptual paper addresses the business challenge of sustainable development seen in terms of an "innovation process." It sets out to compare the innovation process used to deliver on conventional business aims with the process of innovation called for by sustainable development. The paper emphasizes the need for sustainability-driven innovation to engage a wider range of external actors that contribute to the generation of ideas for innovation and that serve to highlight the negative aspects of innovation that need to be ameliorated or controlled. The research leads to a series of conclusions about the characteristics or demands of sustainability-driven innovation due to this wider set of participating actors. These include the need for capacities of collaboration across diverse interests, and the importance of mobilizing networks to promote inventiveness and to promote trust and collaboration in the formalization of ideas and structures needed to deliver those ideas as innovations. The paper recognizes the importance of vision as a guide to those involved in innovation, while values and management attitudes provide a basis for the alignment of strategic processes that foster commitment to learning and diversity of ideas and inputs.

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Vogel, D. (2005). *The market for virtue.* Washington, DC: Brookings Institution Press.

Amid disparate claims that CSR is the future of business, that it is nothing more than a new creed to mask self-interest, and that it is a danger to the primary role of business, this author focuses on the business case for virtue in corporations, reasons firms engage in CSR activities. The author also examines market activities that encourage CSR practices, as well as those that limit these activities. Whether induced by strategy, defense, altruism, or public-spiritedness; various market dimensions, such as consumer demand; threatened boycotts; challenges by NGOs; pressure from socially responsible investors; or the values of managers and employees, CSR does matter to many firms. This is true even though the studies comparing corporate financial and social performance have shown inconclusive results, primarily because of two kinds of dynamics that influence firms. There are firms that include CSR as part of their business strategy and corporate identity, and there are firms that have been targeted by activists and thus are displaying CSR as a defensive tactic. The next three chapters in the book deal with the following three key areas where CSR initiatives occur:

- Working conditions in developing countries, which highlight Nike and voluntary codes in the United States, companies in Europe, working conditions in agriculture, child labor laws, and fair trade policies
- The environment, with major focus on Shell (Brent Spar), forestry practices, global climate change, and carbon reduction
- Human rights, highlighting Shell in Nigeria, extractive industries, and investment decisions

In the final chapter, the author points out important changes in corporate practices and shortcomings of civil regulation and indicates that the most critical dimension of corporate responsibility may well be a company's impact on public policy. Finally, it is not enough for firms to produce social benefits in isolation; they must also support public policies that establish minimum standards for less virtuous competitors, not just to create a level playing field, but because such a requirements are frequently necessary to accomplish the underlying goals of CSR.

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Vosburgh, R. M. (2007). Special edition articles. *Human Resource Planning, 30*(1), 7–8.

This article is a special edition of a discussion on building the triple bottom line (TBL), human resources' contributions for environmental, social, and financial performance. The article represents a summary of articles that were submitted from a broad group of experts for review. The author examines leadership and the role of the corporate sector in bringing leaders on board who will help guide the sustainability commitment. This represents a "plane shift change" beyond CSR, community relations, and philanthropy. The article informs and guides human resource contributions in support of the TBL. The TBL is not new to business leaders, especially those in large global enterprises. The idea that economic, social, and environmental performance can be synergistic and optimized has been debated for years in Europe and more recently in North America. Two signals of a growing consensus about the responsibilities and opportunities facing all organizations in creating positive, sustainable growth into this century and beyond are the United States Climate Action Partnership recommendations announced in January 2007 by a coalition of business and NGO leaders and the definitive scientific conclusion regarding global climate change announced in Paris shortly after. This article offers three case studies of how specific companies are engaging HR in different TBL-related initiatives. The article concludes that there are many proven examples that the TBL concept is viable and critically important for organizations to understand and adopt. The link between initiatives and better performance are supported. Second, performance is enhanced when HR assumes an active leadership role in creating formal, sanctioned, and supported mechanisms, practices, and processes.

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Waddell, S. (2007). Realizing global change: Developing the tools; building the infrastructure. *Journal of Corporate Citizenship, 26,* 69–84.

The author in this article draws on work with multiple stakeholder global networks—*global action networks* (GANs)—and proposes the following seven principles to guide successful global change strategies:

1) Make the approach multi-stakeholder.
2) Aggregate stakeholders by organizational sectors.
3) Address the challenges (from individual change to societal change).
4) Make learning about the strategies a core value.
5) Understand the work as building complex systems.
6) Organize for third-order change.
7) Think in terms of development stages.

The author concludes that GANs hold substantial promise as global change agents and that they also face many potential problems. GANs may not become the dominant global change vehicle, but they are likely to be significant.

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Waddock, S. (2007). Leadership integrity in a fractured knowledge world. *Academy of Management Learning & Education, 6*(4), 543–557.

In this article, the author discusses management education and its potential to meet the new business demands. Fostering leadership's integrity is displayed as having a central role in the current knowledge economy. And the author states that minds are shifting in this regard toward a sustainable business scenario. Integrity is defined as individual integrity with an ethical and values-laden basis together with understanding the world as an integrated system—ecologically, socially, and from a business ecosystem perspective. The concepts of *knowledge economy* and *fracture paradox* are discussed in depth. And a more integrated curriculum should be supported in management education with attention to the following:

- The ecological imperative or the understanding of the interconnectedness between nature and mankind
- The societal imperatives with a coherent understanding by the students of the historical, political, and cultural context in which business operates today
- The business imperative and its emphasis on collaboration with stakeholder groups as a central element in sustaining a competitive advantage

The general conclusion is that tomorrow's leaders need to have the courage to change the system and carry though decisions that will accomplish the following objectives:

- Balance imbalances and make trade-offs of profitability for other important values.
- Integrate an understanding of the world's complexity and understand the interconnectedness that exists among the different entities.
- Understand the long-term consequences of their decisions and be decision makers that benefit people, business, and societies, as well as the natural environment.

The author asserts the need for an integrated knowledge economy, managerial leadership in global organizations and institutions, and corresponding efforts by management education programs.

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Waldman, D. A., De Luque, M. S., Washburn, N., House, R. J., Adetoun, B., Barrasa, A., Bobina, M., Bodur, M., Yi-Jung, C., Debbarma, S., Dorfman, P., Dzuvichu, R. R., Evcimen, I., Pingping, F., Grachev, M., Duarte, R. G., Gupta, V., Den Hartog, D. N., De Hoogh, A. H. B., & Howell, J. (2006). Cultural and leadership predictors of corporate social responsibility values of top management: A GLOBE study of 15 countries. *Journal of International Business Studies, 37*(6), 823–837.

This empirical study was conducted on 561 firms located in 15 countries on five continents and is focused on how the cultural dimensions of institutional collectivism and power distance predict social responsibility values on the part of top management team members. Findings help shed light on the dimensionality of CSR. Through confirmatory factor analysis the authors found that, when framed in terms of managerial decision-making values, CSR appears to be a multidimensional construct, composed of concern for shareholders, stakeholders, and community/state welfare. These components were differentially predicted by control variables—national culture-level and firm-level leadership variables. A second finding was that managers in wealthier countries may be more in tune with shareholder CSR issues in their decision-making process; in poorer countries managers may feel more of a personal responsibility toward the community and society at large. At the opposite end, managers in cultures stressing values of greater power distance tend to devalue all three aspects of CSR and tend to be more self-centered and lacking in concern for shareholders, other stakeholders, and the society at large in their decision-making process. These findings also suggest that leadership in the form of vision and integrity may help drive CSR values beyond economic or cultural factors and may even help align CSR values in decision-making processes, as well as subsequent actions based on those values, notwithstanding cultural differences. Managers in cultures supporting institutional collectivism value most aspects of CSR in the decision-making process. Such cultures have more long-term concerns and priorities and promote thinking about how managerial actions pertain to the concerns of the larger collective or society.

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Waldman, D. A., Ramirez, G. G., House, R. J., & Puranam, P. (2001). Does leadership matter? CEO leadership attributes and profitability under conditions of perceived environmental uncertainty. *Academy of Management Journal, 44*(1), 134–143.

Using data from 48 Fortune 500 firms, the purpose of this study was to examine the effects of CEO transactional and charismatic leadership on firm profitability in environments perceived to be certain, as well as in those that are perceived to be uncertain. The two forms of leadership, transactional and charismatic, as well as their connections, are analyzed to understand how they may operate in tandem with regard to organizational performance. Results show that the connection between top managers and firm outcomes depends to a large extent on the managers' charismatic leadership under conditions of perceived environmental uncertainty and beyond the effects of transactional leadership. The major contribution of this article in the understanding of leadership practices toward implementing corporate responsibility is on the connections empirically found between top leaders and companies' decision making and the development of innovative business models that respect the potential as well as the limitations of natural resources and show the same respect for the potential and the limitations of the relationship between people and profitability.

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Waldman, D. A., Siegel, D. S., & Javidan, M. (2006). Components of CEO transformational leadership and corporate social responsibility. *Journal of Management Studies, 43*(8), 1703–1725.

With this empirical study, the authors try to fill the gap in systematic theoretical or empirical analysis of the relationship between characteristics of CEO leadership and CSR. Therefore models of effective leadership and strategic decision making and implementation, with their emphasis on values and characteristics of leaders, are empirically analyzed for CSR implementation. The new culture of leadership theory integrating micro-level behavior (individual) and macro-level phenomena (CSR) is perused, and the concept of transformational leadership is analyzed above and beyond a leader's organization with the implication of a connection with CSR. The two components of transformational leadership—charisma and intellectual stimulation—were expected to correlate positively with the two facets of CSR—social and strategic. The implicit assumption of the study is that it is the CEO who is formulating and attempting to implement the firms' CSR policies. CEO intellectual stimulation is found to be significantly associated with the propensity of the firm to engage in strategic CSR, or those CSR activities that are most likely to be related to the firm's corporate and business-level strategies. This implies that intellectually stimulating leaders are attempting to pursue their efforts in an area which is most germane to a firm's strategic concern. Attention to social CSR seems to be more related to managers' desire to adhere to socially acceptable norms and laws. Strategic CSR is also positively correlated to the control variables—firm size, R&D intensity, and prior profit levels. CEOs' tenure does not appear to have any explanatory power. Explorations of integrity as well as other moral facets of charisma that might be better related to CSR are proposed for future research.

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Walsh, J. P., Weber, K., & Margolis, J. D. (2003). Social issues and management: Our lost cause found. *Journal of Management, 29*(6), 859–881.

Author James P. Walsh, professor of business administration, management, organizations, and strategy, represents Ross School of Business, University of Michigan, Ann Arbor. Author Klaus Weber, assistant professor in management and organizations, represents Kellogg School of Management, Northwestern University. And author Joshua D. Margolis, associate professor of business administration in organizational behavior, represents Harvard Business School. This article provides an historical approach in examining why so little research directly considers how organizations affect the social objectives of society. The study investigated the balance between social- and economic-focused publications of the Academy of Management by examining empirical research published from 1958 to 2000 and all research published between 1972 and 2001 linking firms' social and economic performance, a total of 1,738 empirical articles. The authors found that research adopting some form of human welfare as an outcome of interest tends to focus its analysis at the individual level—85 percent of all welfare-oriented articles. Little research focuses on human welfare at the organizational level—13 percent. And even less focus is on societal-level issues—2 percent. In contrast, 48 percent of articles concerned with performance looked at organizational and societal levels, rising to 61 percent by 1999. The authors indicate the achievement of industry's social objectives as particularly salient, stating that attending to social welfare may soon match economic performance as a condition of securing resources and legitimacy. Also, the flagrant violation of societal standards in corporate scandals of recent years (Gordon, 2002), the rising call for business to attend to such social ills as AIDS (Rosen et al., 2003), and the impact of globalization that has forced the assumption of responsibilities traditionally vested in nation states similarly impact this condition. In exposing a lack of balance in scholarly attention to social and economic interests, the authors conclude by suggesting new directions for organizational research, which include the following:

- Outcome variables that reflect the public good
- Relationships between organizations and societal institutions
- Mechanisms through which organizational conduct affects the public good

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Werther, W. B., Jr., & Chandler, D. A. (2006). *Strategic corporate social responsibility.* New York: Sage Publications.

The first author is the codirector of the Center for Nonprofit Management at the University of Miami. He is a fellow and former chair of the International Society for Productive and Quality Research. He has 30 years of experience among nonprofits, government, and business organizations. He is an award-winning teacher and author. He earned a Ph.D. in economics and business management at the University of Florida. The second author is the associate director of the Center for Nonprofit Management at the University of Miami. He has an MBA from the University of Miami and a master of science degree from East Asian Business University of Sheffield, United Kingdom. The authors present the book in three distinct components:

Part I of this book defines corporate social responsibility; segregates the firm's stakeholders into three groups: organizational, economic, and societal; discusses various CSR pros and cons for the corporation using economic, moral, and rational arguments; and provides reasons for CSR's growing importance and relevance. The authors state that corporate leaders must strive to operate from a multiple stakeholders' perspective, trying to balance results (profits) and methods (operational activities). A "strategic lens" concept, which includes vision, mission, strategy, and tactics, with CSR serving as the filter, was considered one of the key ingredients in developing a CSR strategic plan. And opportunities and/or constraints of environment (external), competencies (internal), and structure (internal) were all also considered key components in developing a CSR strategic plan. Finally, this part of the text discusses the firm's CSR threshold: "the point at which CSR becomes obviously critical to strategic success."

Part II of the book is comprised of CSR issues and case studies. The different viewpoints (pros and cons) of CSR are examined: why it is a growing concern to students and leaders and the identification of various stakeholders, their importance and impact. Archie Carrols presents the pyramid of CSR—economic, legal, ethical, and discretionary—representing moral, rational, and economic arguments for CSR. The practical application is presented as corporate examples of CSR. Collectively the case studies form a base for discussion and explanations that are enriched by exploring Internet links. Topics ranging from governance and accountability to self-interest and economic viability illustrate the direct impact of CSR on corporate behavior, decisions, and strategies within the organization and within the marketplace and society.

Part III offers a variety of information sources focused on specific subjects of CSR—a directory of CSR-focused organizations, Web site references, online CSR news and information sources, as well as a traditional bibliography of published sources (books and journal articles). This part of the book serves as a professional business minilibrary.

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Corporate Social Responsibility and Sustainable Business

A Guide to Leadership Tasks and Functions

Organizations have developed a variety of strategies for dealing with the intersection of societal needs, the natural environment, and corresponding business imperatives. At one end of the continuum are organizations that do not acknowledge any responsibility to society and the environment. And on the other end of the continuum are those organizations that view their operations as having a significant impact as well as reliance on society at the economic, social, and ecological levels. This sourcebook presents current knowledge related to what has become known as "corporate social responsibility" (CSR). Ongoing research reveals that a variety of strategies, alliances and partnerships, and approaches are being used around the globe to respond to issues of CSR. The aspiration of many corporations to contribute to a better world is great, but translating that aspiration into reality remains a challenge for organizations the world over.

The Authors

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